The Nation's Business

THE FINANCIAL POST

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Obnoxious Contracts Should Be Revoked

ONE WAY in which public funds could be saved to aid Canada's pay-as-you-go war finance policy is by rewriting improvident and seemingly indefensible contracts entered into by the Department of National Defense prior to the appointment of the War Supply Board.

Details of one such contract are given elsewhere in this issue. It is disclosed that in Montreal a building was rented on behalf of the taxpayers of Canada at an annual figure of $23,700 for 10 years. The building had been purchased for $62,500 only two months before. The final payment was not made until after the lease was signed and the borrower—on the strength of the lease—was able to get a mortgage of $90,000.

Last week The Post gave details of an equally obnoxious transaction. It concerned a contract for a vital war commodity. The contract was placed with a group of insurance brokers, two of whom were active "party" men.

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THERE IS reason to believe that many other equally costly and improvident contracts were let by this same department when it was under the misdirection of Hon. Ian Mackenzie. They are contracts which hinder Canada's war effort; make it more difficult to achieve our pay-as-you-go policy.

Such contracts should be carefully investigated. The minister under whose direction they were negotiated should be removed entirely from a position of public responsibility.

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French Canada's Tragic Dilemma

HAVING committed his province to unlimited participation in the war on a voluntary basis, Rt. Hon. Ernest Lapointe now implies that if Premier Duplessis wins his election on a "provincial autonomy" platform, Canada will be left without any French-Canadian representation in its war cabinet.

Apparently the Minister of Justice feels that if Quebec sides with Mr. Duplessis in a self-determined challenge to the War Measures Act, then the only course will be for himself and his colleagues to resign. Such can be read into his statement on the election.

Mr. Duplessis's action in raising such an issue at this time is a tragic threat to Canadian unity. It calls for much tolerance by the people and press of English-speaking Canada. It demands extraordinary restraint among French Canadians of every party and persuasion.

* * *

THOUGH the election campaign will probably be fought on conscription and Quebec's participation in the war, the real issues are financial.

Under Premier Duplessis the province has embarked on a substantial policy of free-spending, made possible by heavy borrowings on capital account. Now the New York market has been cut off and the province may find itself unable to raise further moneys without submitting to a certain amount of federal financial control.

Rather than face this situation Mr. Duplessis, with shrewd political instinct, has launched an "autonomy" campaign which carries, unfortunately, an implied threat to the whole structure of Canadian unity.

* * *

THERE is little doubt that most French Canadians treat with utmost resentment the muddying of racial and national waters in this way. They dread the prospect of there being thus created "irreparable misunderstandings" between the two great nationalities.

There is concern also as to a sinister threat in the willingness of a provincial leader to bid for continuance in office by such a potentially destructive [illegible] chosen by Premier Du[illegible]

Restraint [illegible] tolerance will be greatly needed to keep the election campaign within reasonable bounds. French Canadians will also be anxious that some alternative be found to prevent alienation of splendid men like Mr. Lapointe from Canada's war cabinet in the event of Mr. Duplessis being returned to power.

* * *

Clarity of Purpose Needed in Controls

ONE DANGER which Ottawa may [illegible] is an overlapping and confusion of purpose in various control measures passed recently under the War Measures Act.

Many of these control authorities are anxious to achieve their purpose by co-operation with private enterprise and the minimum of interference and regimentation. Others, notably agriculture, are apparently intent on making the maximum use of their totalitarian powers.

For example, the present aim of the Wartime Prices and Trade Control Board is to solve price and supply problems with the minimum interference with business. Industry is being urged and encouraged to co-operate freely in solving its own problems. There is no present desire to put the government into the sugar business, the coal business, the wool business.

The same idea seems to be guiding the War Supply Board which announced last week acceptance of a praiseworthy plan whereby the woollen clothing industry will mobilize itself to handle the purchase

(Continued on page 2, col. 3)

Securities Repatriation Plans Still Incomplete

Government Obligations Likely Looked After First of All

Further investigation of plans for repatriating Canadian securities held in Great Britain on a large scale supports the suggestion put forth in The Financial Post last week that no complete scheme has been worked out.

It is suggested now that first intentions are to confine any large-scale repatriation moves to two or three issues. These are likely to be obligations of the Canadian Government which are payable in sterling and are largely held in Great Britain. Mentioned are the Grand Trunk Pacific Railway obligations of which two bonds are outstanding.

The only statement given out on the subject indicated that British purchasing in Canada, after available cash resources began to dwindle, would be financed first by use of Canadian securities held in Britain and later by credits extended to Great Britain by this country. But now it seems likely that this will not be quite the method. The granting of credit to Great Britain and the repatriation of securities will probably proceed along parallel lines with the emphasis sometimes on one and sometimes on the other, according to conditions and needs of the moment.

Still in Private Hands

So far Great Britain has not actually taken possession of any foreign securities owned by residents of that country. Some kind of a plan has apparently been worked out whereby a British investor could still sell his own securities. Reports a few days ago indicated the working out of a new technique whereby sales could be arranged in New York of U. S. securities without the necessity of physical shipment of the securities across the Atlantic with its attendant costs, delays and risks of loss.

Certificates would be delivered in London to representatives of the American transfer agents for cancellation. The representatives would then cable their New York office, which would proceed to issue new certificates. New York advices indicate that appreciable amounts of British holdings of U. S. securities have been liquidated in that market since the outbreak of war.

All transactions, however, are under control and authorities in Britain can be depended on to allow only as much of this type of sale as market conditions justify. It is not suggested that large blocks of any stock be handled in this way but rather that the tried methods of negotiated sales should still be used.

Right now a British investor could probably sell his holdings of Canadian stocks in Canada provid-

(Continued on page 2, col. 6)

Ottawa to Back Rail Purchases

War Supply Board to Place Equipment Orders

From Our Own Correspondent

MONTREAL. — The announced plan to purchase $25 millions of new equipment for the two major railway systems will be financed by the Government, and the orders placed through the War Supply Board at Ottawa instead of directly by the railway companies.

After buying the rolling stock in behalf of the railways, the Government will resell it to the railways, in accordance with their needs, under a rental purchase plan spread over 15 years. A similar basis was adopted for purchase of equipment for the railways in 1936 and 1937, as an unemployment relief measure.

Make Way for Munition Orders

Decision to purchase at this time arises in part out of the desire to make way for possible munition orders for the railway equipment companies.

No details are available as yet as to what type of equipment is to be purchased, but it will be largely freight cars. Some new locomotives will also be ordered.

Tenders for the new equipment have been submitted. Expectations are that allocation of the business will be announced shortly.

Present plans call for completion of the order in about six months with delivery starting in three months. In the ordinary course of events this equipment would not have been ordered until early next year and the work would have been spread over a longer period.

Concerns That Benefit

Companies likely to share in the order are National Steel Car Co., Canadian Car & Foundry Co., Eastern Car Co., Canadian Locomotive Co., and Montreal Locomotive Works.

Firms like Robert Mitchell Co., which manufactures railway car fittings; Algoma Steel Co., which makes centre sill zee bars; Dominion Foundries & Steel Co., car wheels and undercarriage truss work, and Canadian Bronze Co., bearings and bushings, will also benefit.

Expectations are that both the C. P. R. and C. N. R. will share in any munition orders that are placed in Canada. Both railways made munitions in their shops during the Great War and have offered to convert their shops to this purpose again.

Canada at War

Canada's participation in the European struggle means profound changes in the life of every citizen of this country, in the operation of all industries, in the Dominion's economic foundations.

Throughout this issue of The Financial Post are articles important to you in evaluating the impact of war on your business and on Canada.

Canada's war power:
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To Get $37 Millions—p. 1.
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War calendar—p. 2.

B.A. Oil Gets Large Wells

California Venture Results in Opening of Important Producers

Properties purchased earlier this year by The British American Oil Co. in the Ventura and Montebello areas adjacent to Los Angeles have been developed by successful drilling operations, according to an announcement by company officials.

Drilling operations have now brought into production two wells in the Ventura area with a combined potential of approximately 3,000 bbls. per day. In the Montebello area the company has completed three wells which show a combined potential of 2,100 bbls. of crude oil a day and, in addition, has a 30% interest in another well with a potential of 500 bbls. daily.

Total allowable production accruing to British American from these six wells averages between 2,000 and 2,500 bbls. of crude oil daily. Two additional wells are nearing completion in the Montebello district which the company expects to be productive.

Ford Output Speeded Up

Windsor Operations Accelerated as New Models Introduced

By GUY S. CUNLIFFE
Staff Writer, The Financial Post

WINDSOR. — Production operations at the plant of Ford Motor Co. of Canada here have been speeded up to supply 1940 models of the Ford and Mercury lines, introduced to the public late in the week.

Owing to the uncertainties created by the outbreak of war, it is difficult to make advance estimates as to how production and future sales will compare with the model year just closing.

At the Dearborn preview of new models for Canadian and U. S. press representatives, early in the week, it was announced that production

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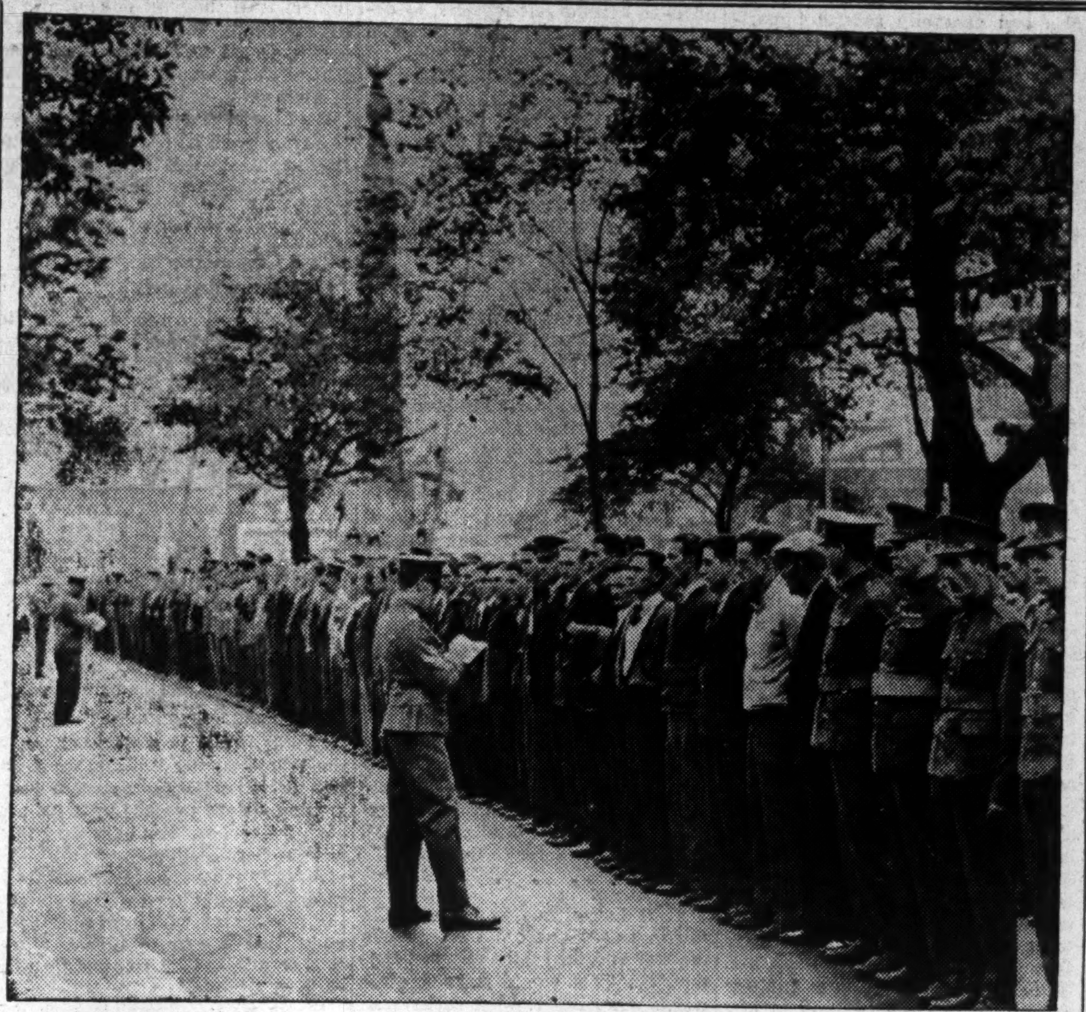

CANADIANS PREPARE

Highlights

Threat to the continued presence of French-Canadian ministers in the Dominion Cabinet and to the current unity of Canada's war effort, is the significance seen by The Financial Post's political analyst in Premier Duplessis's insistence on calling the Quebec election.

Quebec Facing—p. 20.

* * *

Investment opportunities in Canada's newsprint industry in the light of war conditions are surveyed in the first of a series of articles appraising newsprint securities.

Consolidated Bonds—p. 15.

* * *

New developments in the unceasing fight to reduce fire hazards and prevent outbreak of fires, especially in view of the menace of war sabotage outrages, are reported in The Post's annual survey of fire prevention activity.

Fire Prevention Feature—p. 12, 13.

Offer Prizes For Portfolios

The Financial Post Offers Cash Awards for Articles On Wartime Investing

Since the outbreak of war The Financial Post has received many more enquiries from subscribers than has been the case for months past. This is evidence that investors everywhere are wondering what they can do under war conditions to protect their capital and earn a reasonable return.

Businessmen today have added problems to face in their own affairs. For their investments, conditions have changed overnight and previously satisfactory programmes may not serve any longer. How to meet these problems has been the subject of study by investors everywhere.

The Financial Post has decided to present a contest, open to everyone and offering substantial cash awards, for suggestions as to the best investment policies under today's conditions.

First prize is $100. Second prize is $50.

It is hoped that a large number of Canada's best informed investment consultants will enter the contest as a service to the Canadian investor but the average investor too is urged to discuss his problems through the medium of this contest.

Prize-winning and selected articles will be published from among the entries.

For details of the contest and the conditions, which are brief and simple, see the announcement in the advertising columns on page 4.

Ottawa Rents A Building

Taxpayers Pay $237,000 in Rentals on a Building Bought For $62,500 — Should New Defense Minister Cancel Lease?

To further her war effort, Britain has clamped down on waste and inefficiency in Government spending.

Last week Chancellor of the Exchequer Sir John Simon told the British Commons that the operations of all spending departments would be rigorously scrutinized to eliminate squandering of public money.

Business men, said the Chancellor, would be called upon to help the Treasury organize control measures aimed at securing the utmost efficiency in disbursements by all branches of the Government.

Finance, he added, would be one of the most important factors in winning the war; and Britain's Government was determined to see that every penny of the national revenue was used wisely.

Similar scrutiny of public spending in Canada is an imperative necessity if this Dominion is to achieve its maximum war effort.

Every dollar wasted on the home front is a dollar less with which to battle the enemy on the fighting front.

Ottawa should act at once to purge public spending by all branches of the Government of the wastes that go with inefficient management, political and personal favoritism, and unbusinesslike administration.

A country faced with the realities of war will tolerate no "appeasement" with improvidence in the expenditure of the taxpayers' money.

* * *

During recent weeks The Financial Post has referred to a number of public transactions which it felt were open to criticism. In so doing, this paper has been motivated by the conviction that knowledge of the way public money has been spent is the first step toward putting expenditure on the sound basis that is the declared objective of the Prime Minister and his new Minister of National Defense, Hon. N. McL. Rogers.

Herewith The Financial Post presents the facts of another public transaction which it believes should be drawn to the attention of both the business community and the Government.

It concerns the leasing by the Department of National Defense of a building in Montreal now used as the headquarters of a military unit. Since the country is at war, neither the name of the unit nor the specific location of the building will be cited.

The salient facts are as follows:

The company involved in the transaction is York Realties, Limited, Montreal.

The president and manager of York Realties, Limited, is George Rabinovitch, whose office is at 1405 Peel Street, Montreal.

The building is a five-story-and-basement structure located in the business district of Montreal.

York Realties, Limited, bought the property, the building then being twenty years old, on October 29, 1937, for an amount authoritatively reported to have been $62,500.

Two months later, on December 27, 1937, York Realties leased the building to the Department of National Defense for a period of ten years, the company undertaking to make certain alterations and repairs.

The annual rental stipulated in the lease is $23,700. The lease runs from January 1, 1938, to December 31, 1947, and covers the use of approximately 31,000 square feet of floor area.

The Defense Department has contracted to pay the company during the ten-year period an amount of $237,000.

On the same day the building was leased for ten years to the Defense Department, December 27, 1937, York Realties obtained a ten-year mortgage loan for $90,000. The loan is secured by both the property and the rentals.

This loan is to be discharged over the ten-year period by 120 equal monthly installments of $931.23 each, or at the rate of $11,174 a year. This is based upon interest rates of 4½% for the first five years and 4¾% for the second five years.

As $9,000 of the annual charges represents payments on account of principal, the average annual interest charge is $2,174.

A final payment to the vendor of $42,000 on the purchase price of $62,500 was paid off on January 15, 1938, by York Realties from the proceeds of the $90,000 loan.

The property is assessed at $90,000 and 1939 taxes are $2,618.80.

* * *

It will be noted that:

1. The owners were able to get a loan of $90,000 on a building bought at $62,500. Such a loan under normal circumstances would be impossible. But in this case the owners were able to assign as additional security rentals paid by the taxpayers of Canada amounting to twice the annual payments required to meet interest and retire the loan in full within ten years.
2. The final payment of $42,000 on the purchase price was not made until January 15, 1938, which was after both the government lease and the loan for $90,000 had been obtained. This means that the maximum amount of cash York Realties had

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Lake of Woods Milling Co. Earnings Jump in 1938-1939

From Our Own Correspondent

MONTREAL.—Lake of the Woods Milling Co.'s financial statement for the year ended August 31, which usually makes its appearance about the middle of October, will likely show the financial position to be the strongest in some years and earnings well above the level for some time past. On the basis of the results shown by some of the other milling companies, it would not be surprising if Lake of the Woods was to report earnings of between $2.50 and $3 a share on the common stock for the year ended last August.

Operations of the company have undergone a marked change over the past year. Production of flour has shown a substantial increase, while better prices have prevailed. In the 1938 fiscal year Lake of the Woods showed a net operating profit of less than $10,000, as against $738,706 the year before. This was the weakest showing made by the company in many years.

The marked improvement which has taken place in the company's earnings in the past year is evidenced by directors' action in declaring a dividend of $3.50 a share, wiping out all arrears on the preferred. Payment will be made on Nov. 1 to holders of record Oct. 14.

Prospects of a dividend on the common continue indefinite. No payments have been made on the junior security since 1930, although earnings have been shown in each year except 1931 and 1938.

Canada To Get $37.5 Millions To Build Ships

Britain to Use Shipyards Here to Meet Needs

NUCLEUS AVAILABLE

From Our Own Correspondent

OTTAWA.—The first industry in this country to feel the direct stimulation of war will be shipbuilding.

The British Government has decided to build as many ships as possible in this country, to offset losses caused by the U-boat campaign. A standardized type will be built, blue prints for which are now available here. The cost of each ship is placed at about $1,250,000 and the initial order, it is learned, is for 30 ships.

No actual orders for such construction, however, have yet been awarded.

Canadian shipyards are to be extended as rapidly as possible, having in mind the British Government's opinion that the war will last for three years at least. Only such extensions as can be made productive within this time limit will be approved.

Eastern Canada Yards Large

There are four major shipyards in eastern Canada ready to undertake shipbuilding. Two have had considerable experience in building vessels, both for peacetime and wartime purposes. The others are adaptable for this work. They are: Montreal Drydocks, Davie Shipbuilding, St. John Dry Dock and Halifax Shipyards Ltd.

Montreal Dry Docks, subsidiary of Canadian Vickers, has extensive equipment in Montreal East. For some time past its work has been largely ship-repairing, but the company is in a position to build vessels. The company was originally incorporated in 1913 and at present has two modern dry-docks each 400 feet long and capable of handling shipping of considerable size.

In addition it has an up-to-date repair plant, dock cranes, etc., and movable equipment for the handling of marine repairs at any point in the Port of Montreal or vicinity.

The only public investment interest in Montreal Dry Docks is through the 6% first mortgage bonds, guaranteed as to principal and interest by Canadian Vickers. This guarantee is of questionable value as the company has failed to live up to its obligations. A reorganization of Vickers is under way and when the plan is made public, it will undoubtedly contain provision for the reorganization of Montreal Dry Docks.

Davie Plant Extensive

Davie Shipbuilding and Repairing Co. is a wholly-owned subsidiary of Canada Steamship Lines. It is one of the most important shipbuilding companies in Canada and its plant at Lauzon can build ships up to several hundred feet in length. During the last war, Davie Shipbuilding built a number of the Canadian Government merchant marine boats. It also built several of the passenger ships of the C.S.L. fleet; the Canadian National car ferry operating between the mainland and Prince Edward Island; various customs boats, etc.

Few details are available as to the present equipment at Lauzon. Judged by the type of vessels built in recent years and during the last

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Flour Millers Home Trade On Big Scale

Absence of "War Orders" from England Beclouds Picture

BRITAIN PREPARED

From Our Own Correspondent

MONTREAL. — Canadian flour millers are experiencing a strong domestic demand for their product, but are still wondering where are the orders that were expected to come out of England with the beginning of hostilities.

To date the British Government's flour milling committee has not made any purchases in Canada. Well-informed opinion in the Canadian trade is that beyond filling British importers' needs to cover shipping space previously booked, no big flour orders are likely to come out of England during the current crop year.

Behind domestic demand there is some stocking up in anticipation of price rises, etc. The mills are behind on their deliveries. One of the larger companies is reported to have placed another unit in operation in anticipation of a rising demand.

Begin Revising Opinions

While millers have little complaint about domestic business and are not complaining about export trade, they are beginning to wonder if the war will bring Britain into the flour market on the large scale that many anticipate. Opinion differs on this point. Some are very definite that if the British millers can continue grinding wheat without interruption there is no particular call for heavy imports of flour during the current crop year.

The whole situation revolves around wheat. The present trouble in Europe did not come as a surprise to the British authorities and the milling industry. Britain has been stocking up with wheat supplies for months past. There is enough wheat to meet her requirements throughout the 1940 season. The whole milling industry has been organized on a war footing and arrangements made which will take care of the country's flour requirements for the time being.

Big Supply of Wheat

There is no shortage of wheat. The world supply this season is of large proportions. Canada's crop is estimated at well over 450 million bushels or easily 100 millions above the long-term average, about 200 millions above the last 5-year average. On top of this big crop, one of the largest on record, there is a carryover from last year of 100 million bushels. Domestic requirements for seed, milling feed, etc., will not exceed 125 million, thus leaving between 400 and 450 million bushels available for export. United States also has harvested a fair yield this year, but prospects for next season, due to the poor start of the winter wheat sown this fall, are not encouraging.

Realization of a huge supply of immediate wheat has been reflected in market prices for wheat. With the declaration of war prices jumped sharply; it was necessary to lift the 5 cent limit on any one day's trading. There was a sharp advance, but of late the price has sagged downward, clearly indicating that instead of there being a shortage of

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Government Watching Domestic Money Mart

Establishes Control in Co-operation With Financial Houses

From Our Own Correspondent

OTTAWA.—Although there has been no official announcement, a system of priority in the domestic money market already exists. This, it is learned, has been brought about by agreement between the Government and financial houses.

With the creation Sept. 15 of the Foreign Exchange Control Board, the Dominion Government established control over foreign borrowing. It is now learned that the Dominion is exercising supervision over the domestic money market. For the reason that every cent of Canada's resources may be required for war purposes, it is obvious that borrowing for non-essential purposes cannot be countenanced.

Duplessis Protest

These are the controls, actual and implied, which have caused the Duplessis Government in Quebec to object to alleged interference with its provincial rights. But so far as is known here there have been no complaints from the other provinces.

Under the War Measures Act, the powers of the Dominion Government to exercise control of the domestic money market are unrestrained and unlimited. But it is evident that these powers will not be brought into play unless need arises. So long as Ottawa can attain its ends without recourse to orders-in-council and proclamations, none will be issued.

It is clearly understood that in applying domestic control the Dominion will not interfere with the carrying out of legitimate contracts nor disturb normal business. Control, it is understood, is being enforced with the co-operation of all the agencies through which capital issues are placed on the market.

Simpsons Builds Plant Addition

Simpsons Ltd. has awarded a contract to Anglin, Norcross & Co. to build a five-story addition to the company's six-story mail order building on Mutual Street, Toronto. Cost of the addition will be between $200,000 and $300,000 and will increase the company's floor space to cope with what the company describes as "normal development."

Recently business has picked up somewhat, after being depressed by the outbreak of war, it is stated.

Red Cross Gifts Get Big Tax Cut

Income War Tax Act Provides Exemption Up to 50%

From Our Own Correspondent

OTTAWA.—Reports to the effect that the Income Tax department will grant a 50% exemption on all donations to the Red Cross fund are based upon section one of the amendment to the Income War Tax Act as passed at the special war sesion of Parliament.

This statute enlarged the existing list of exemptions by adding this one: "Not more than 50% of the net taxable income of any taxpayer which has been actually paid within the taxation period to, and receipted for as such by, any patriotic organization or institution in Canada which hereafter receives the written approval of the Secretary of State of the Dominion of Canada."

Hat News FROM EATON'S

HARD TO FIT WITH A HAT?

We Measure Your Head and Make a Hat Specially for You . . .

No Extra Charge!

Head Shapes We have fitted

For men with heads that are not standard where hats are concerned, we use the machine illustrated here to take your individual head shape. We then send this chart right to the hat factory, where they will make a special hat for you in any style or colour that you may choose from our stocks. And for this CUSTOM HAT SERVICE THERE IS NO EXTRA CHARGE ON REGULARLY PRICED HATS from 4.50 up

Main Floor, Queen Street

Also at the Men's Shop, EATON'S-College Street

T. EATON Co. LIMITED

Further Gas Price Rises In Prospect

September Increase Due to Dollar Discount, Tanker, Insurance Charges

COSTS RISE FASTER

Eastern Canada motorists have received their first taste of what wartime conditions may mean to their costs. Gasoline prices were increased one half cent a gallon in Ontario, Quebec and the Maritime Provinces on Sept. 28. Kerosene went up the same amount while fuel oil costs were increased by three-tenths of a cent a gallon. Within the next week another half cent increase was made in standard grade gasoline.

The explanation given The Financial Post was that three factors contributed to the rise in selling prices to the consumer. Most important is the discount on the Canadian dollar in terms of United States funds. All crude oil coming to Canada for Canadian refineries is payable in U. S. funds and this currency has been at a premium of approximately 10% for the past few weks.

Canada produces approximately one-seventh of its requirements of petroleum. The balance comes from the United States, Colombia, Peru, Trinidad and Tobago, with much the largest portion of imports coming from the United States. All imports are paid in U. S. funds so that refiners are paying approximately 10% more for their supplies from this reason alone.

Tanker Charges Up

Oil companies, however, claim that this is not the whole story. Crude oil comes to Canada largely by tank ship from Gulf Coast ports of the United States and from California and from the other countries mentioned. Like all other marine transport agencies, tanker owners have raised their rates. Actual amount of the increase is apparently not yet clear because of confusion prevailing. One oil executive told The Financial Post, however, that tanker costs were "more than doubled."

Oil company officials will not give any estimate of the proportion of the total cost of a barrel of crude oil laid down in Canadian ports that is made up of tanker charges and insurance under present conditions. Another factor in the high cost argument is that war risk insurance has gone up "substantially." First hurried increases in shipping rates and war risk insurance have not continued, according to reports, and there is in evidence a tendency to adjust actual rates in accordance with a more accurate and usually smaller estimate of the probable risk involved.

Costs Still Ahead

Oil company executives tell The Financial Post that the increases announced "do not begin to meet the increased costs." This is taken as a hint that motorists are going to pay more for their gasoline yet provided that present trends continue. At present oil refiners are manufacturing from inventories acquired prior to the outbreak of war. But as these are used up they have to be replaced and this replacement is taking place at the prevailing higher prices. Right now oil refiners are filling available storage space before the close of navigation. This is a regular procedure and would take place war or no war but this time it is being done under the handicap of a 10% premium on U. S. funds, higher war risk insurance and increased tanker rates.

To date there has not been any increase in cost of the crude oil itself except as caused by the factors mentioned. But The Financial Post is told that there is evidence that producers of crude petroleum in the United States will be getting higher prices before long. The New York Journal of Commerce and Commercial reported on Sept. 27 that daily average crude oil production in the United States in the latest week was up 258,700 bbls. over the preceding week while refiners handled 100,000 bbls. more crude in their stills each day. The reason given is the "much more active enquiry from the European powers." This is taken as making likely some rise in the U. S. prices for crude oil in the not too distant future.

Two Canadian companies, B. A. Oil and International Petroleum Co., stand to benefit from any higher prices for crude oil, the former because of its extensive interests in the United States oil fields and the latter through its South American production.

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and distribution of all military apparel.

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ON THE other hand, efforts are being made in the field of agriculture to fix prices and price margins and generally control important supply sources.

Once a policy of control or regimentation is introduced, say into the cheese industry or the packing industry, it will be hard to avoid extension of similar controls into other lines of business.

If early indications are correct, this war can be carried on effectively by Canada with the minimum of regimentation. There should be a clear agreement on this point by the various boards now exercising such potentially powerful control over all forms of trade and commerce in the country.

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No Place for Russia Alongside Democracies

THERE are still a number of people who regret that Britain did not make a deal with Russia before Germany grabbed off that "plum." Even the excellent Sunday speech of Hon. Winston Churchill contained disturbing references in this direction. At one point he referred to the interests of Russia falling into the same channel as the interests of Britain and France. At another, to resumption of economic relations with Russia.

The view that Russia's place is alongside the democracies is singularly naive. Any alliance with Josef Stalin's Communist dictatorship would be a temporary expedient for which we would, in the end, have to pay too high a price. It is better that things should be as they are. Certainly Canada should hesitate to unite with Great Britain in any policy that links us with Russia and provides a way in which the inroads of Communism might undermine our democratic form of government..

If we were in alliance with Russia we should have to take a polite view of Communism; pretend that Stalin's Bolshevism was at an end. Communism would be clothed in a mantle of respectability of which it is unworthy. The Leftist intelligentsia and the more realistic undercover revolutionaries in our midst already would have been laying plans to become our masters, to destroy our political and economic system.

• • •

AND IN the long run the crafty Slav, whose capacity for diplomatic conspiracy is unrivalled, would have used the alliance for his own purposes. We should have bought a temporary military advantage at the cost of the final destruction of the British Empire, the western democracies of Europe and the system of free enterprise in the world.

As it is, Hitler is the one who has to worry about the untrustworthiness of his ally. While he faces the united economic and military strength of Britain and her friends, he will have to watch Stalin.

Already German lives and German war materials have been wasted in the conquest of Poland yet Russia, with scarcely a shot, takes the lion's share of the country while German troops make a pretense of enjoying the evacuation of areas they fought to win.

In the Baltic and in the Balkans Stalin and Hitler are "allies" today, seeking to divide up dominion over the smaller nations; they will be fighting over the spoils tomorrow when Hitler will be needing every ounce of his strength for the struggle in the west. It is as certain as anything can be that Stalin will stab his fellow-plunderer in the back.

• • •

IT IS better not to have Stalin with us. We would have to win the war and then fight to resist Bolshevism. That would mean another war, a more bitter, more costly war, and one we might not win.

Now we know who our enemies are. They are Hitlerism and Communism—the brown-shirt Bolshevism and the red-shirt Bolshevism. We shall not stop merely with the destruction of the Nazi menace but we shall go on until we are assured that we have insulated ourselves against Communism.

Probably the Russo-German alliance has prolonged the war and made it harder to win. But it has allied our twin revolutionary enemies rather than having one of them hypocritically ranged on our side, egging us on to our destruction so that he alone would enjoy the fruits of victory.

We now know our job. It is to save ourselves from both of these revolutionary ideologies. It is a job we can do—let there be no mistake about that.

• • •

War Charities Now Controlled

OTTAWA has moved swiftly to prevent slackness and racketeering in the field of War Charities.

Under a new, far-reaching measure passed early last month, it becomes an offense for any person not properly registered, to:

"—directly or indirectly solicit or make an appeal to the public for donations or subscriptions in money or in kind for any charity war fund or to raise or attempt to raise money for any war charity fund by promoting or conducting any bazaar, sale, or entertainment or exhibition, or by soliciting for advertising by any other means—"

The requirement is that everyone so doing, must first register under the War Charities Act and must obtain an authorization from Ottawa in writing before proceeding with any such collections. The only exception is church collections.

Already scores of groups and well-meaning people have started collecting money for war purposes. Such collections are now illegal unless first scrutinized by responsible officials at Ottawa.

Those who contemplate such collections should quickly apprise themselves of the terms and regulations set forth in the new act.

Businessmen and others from whom funds are being sought, should require evidence that this important and very proper law is being complied with.

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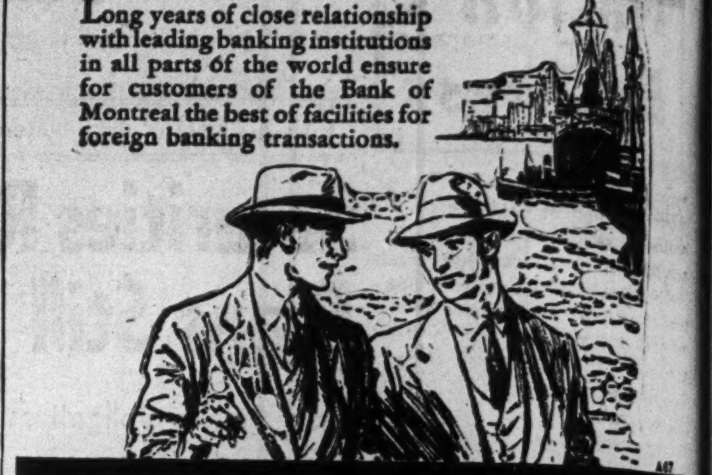

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Flour Millers Home Trade

(Continued from page 1)

wheat there is likely to be an abnormal surplus.

British Millers Ready

As previously mentioned, the British millers have been stocking up for some time past. They bought on very advantageous terms; at least advantageous from their point of view. Neither England nor France is expected to be in need of making any flour purchases for some time.

Another factor in the English picture is the seeming desire of the Government milling committee to have British mills produce as much of the domestic demand as possible. This is emphasized in the fact that on the shipping rates fixed by the British Government on wheat and flour moving from Canada to England there is a differential favoring the British flour miller.

Expect Normal Trade

Provided that production can be maintained, which is likely in view of the fact that operations are largely mechanized, imports of Canadian flour into England will continue of normal proportions. In other words, shipments this crop year are expected to be along the same lines as a year ago.

This expectation, of course, could be quickly set aside in the event that there was a breakdown in British flour-milling facilities. Practically all the large mills in England are located at ocean ports and, therefore, might be subjected to enemy attacks. If there were any disruption of productive facilities, then the Canadian milling industry would be called upon immediately to make up the difference.

Doing Better Now

While prospects for "war orders" are beclouded at this juncture, the Canadian milling industry nevertheless is experiencing a good volume of business. In the past year both volume and earnings were considerably in excess of the previous 12 months. Current operations, too, are above average. Conditions should continue on a satisfactory basis, but there appears limited prospects of any unusual orders from the British Government committee at least for this year. The year following it may be a different story.

Ottawa Rents a Building

(Continued from page 1)

to put up against the purchase price was $20,500 and this for a period of less than three months.

3. Furthermore the proceeds of the $90,000 loan were sufficient to meet the purchase price of $62,500 and leave a balance of $27,500 available toward alterations and repairs, and any other expenses involved in the transaction. Whether or not York Realties has any net cash investment of its own in the property depends on whether cost of alterations and other expenses exceeded $27,500.
4. At the end of the ten-year period completion of the mortgage payments secured by the rental paid by the Defense Department will give York Realties a clear title to the property.
5. Out of the annual rental of $23,700 paid by the Defense Department, the $9,000 a year paid off the mortgage represents a clear capital gain to the landlord and therefore is not an expense. The landlord therefore is able to put down in his income account $23,700 a year against which he must charge up expenses. Taxes and average interest charges total $4,793 leaving $18,907 to cover maintenance and operating costs. Under a previous ownership the latter are stated to have been less than $5,500 a year.

• • •

It will be observed further that the rental paid by the Department of Defense is at the rate of approximately 76 cents a square foot a year.

Prior to the acquisition of the building by York Realties in 1937 one floor of the building was under lease to a commercial tenant at an annual rate stated to have been 34 cents a foot. A second tenant is stated to have paid at the rate of 35 cents; and a third at the approximate rate of 40 cents for two floors.

At the present time a neighboring building on the same street, of comparable character, is rented at 50 cents per foot per year, which rate is described by competent authority as being "a good rental for the locality."

• • •

York Realties, Limited's authorized capital is 490 shares of no par value. The number of shares issued at June 30, 1939, was 150 at a declared value of $100 each.

The directors of the company at June 30, 1939, were:

George Rabinovitch, president and manager, 3980 Cote des Neiges Road, Montreal;

Benjamin Rabinovitch, vice-president, 5105 Lacombe Avenue, Montreal.

Mrs. L. M. Chambers, 4713 Western Avenue, Westmount.

The head office of the company is at 1405 Peel Street, Montreal.

The company is not listed in either the Montreal city directory or the Montreal telephone book for 1938-39.

• • •

The Financial Post desires to emphasize the fact that the transaction described above was consummated some 20 months before the present Minister, Mr. Rogers, assumed the responsibility of administering the Defense Department.

Mr. Rogers, however, is now confronted with a clear duty. He should investigate the transaction with a view to discovering:

1. The circumstances under which it was negotiated.
2. Whether it can be justified on the grounds of public interest. If not, the lease should be cancelled or amended in favor of the Government.

• • •

What the tax-paying public will want to know is this:

What kind of "alterations" made by the landlord, or what kind of superlative service being given by the landlord, warrant the Government of Canada paying, over ten years, a rental of $237,000 for a building which was bought for $62,500 two months before the Government rented it?

Furthermore, it should not be forgotten that the Minister responsible for this transaction is still a member of the Government and is administering a department which spends $57,000,000 a year.

Repatriation Plans Incomplete

(Continued from page 1)

ed that the Canadian authorities would issue a permit for the transfer to the requisite amount of foreign exchange. Actually some permits have been granted for this movement. In general Ottawa's policy in this matter, as in others, will be to grant only such permits as are consistent with this country's war effort.

Late reports indicate that the British Government has taken steps to curb pressure on the Canadian markets through British sales of leading Canadian stocks. It is said that selling orders in a number of stocks have been cancelled. This supports the idea presented by The Financial Post that any repatriation will be an orderly process held under control at all times.

Repatriation of Canadian securities held in Great Britain through private channels achieves the same result as if the Government took a hand in the matter. In either case Great Britain obtains foreign exchange resources. It is thought possible that such private negotiations would not be hindered subject to the control over domestic financial markets now being exercised. For example, if a city or province was able to refund a bond issue held in Great Britain in this country, such a transaction would likely receive the approval of both Ottawa and London authorities.

Two Controlling Factors

Two things have to be kept in mind at all times. One is the desire of Canada to contribute to the financing of British purchases in Canada and the other is the absorptive power of the Canadian market.

Great care will have to be taken in the methods used in distributing the securities in Canada. Obviously everything would be spoiled if an effort were made to dump these securities on the Canadian market.

Just how the transfer is to be made has not yet been thought out. It has been suggested that syndicates of brokers and bond dealers in Canada might be organized to take over large blocks of stocks or bonds and place them in Canada. But it appears that it is too early to visualize such operations and it is by no means certain that such a method will be used.

British Credits

There appears to be some doubt as to whether or not the British Government might round up all Canadian securities held in that country and use them for collateral for loans in this country as at first suggested. Any loans from Canada to Great Britain are more likely to be without collateral and simply on the pledge of the British Government. It is expected that when the United Kingdom takes over any Canadian securities from its residents it will be for cash.

After the United Kingdom has acquired the securities the question of how best to market them comes into the picture. This would be a problem for that Government to work out. It would not necessarily be a matter for the Canadian Government which would not be certain to buy them outright for cash from the United Kingdom. It is thought, however, that the Canadian Government, through the Bank of Canada, would help in turning them into cash.

Individual Buyers Needed

Apparently if any large block of securities was to be returned to Canada, individual Canadian investors would have to be induced to buy them. This would make necessary possession of the required funds. While it is expected that there will be a large increase in the investment power of the Canadian people due to an accelerated programme of production, this production and creation of new wealth will have to come first.

It is quite possible that Canadians will eventually be glad to have the opportunity to buy these securities. While they are barred from investing outside it is conceivable that some difficulty might be experienced in getting all the desirable investments that are wanted, even if war loans become a large item. Therefore, if repatriated securities are marketed in a carefully managed way, and only as new purchasing power is created, there should be no difficulty in placing them all in Canada.

Exchange Control No Bar To Canadian Travel Abroad

Canadians who wish to holiday or visit abroad or in the United States will have no difficulty obtaining American funds under the new Exchange Control regulations, The Financial Post learns.

Many questions have been asked in recent days because of the ruling which limits the amount of cash which a Canadian may take out of the country. Actually these rules, once they are understood, will cause little or no hardship. They place virtually no restrictions on would-be travellers.

What is required, however, is that anyone leaving the country and wishing to obtain more than $100 in American or foreign currency must ask his banker for a permit or license. The $100 is permitted per month per person and can be freely obtained without license.

For anything over $100, all banks are allowed to issue permits freely and without special authority from the Exchange Control Board. Anything up to $1,000 per person can be issued in this way.

Purpose of exchange control is primarily to husband Canada's resources rather than to restrict the free and customary movement of Canadians to other countries. There need be no concern on the part of American hotels, travel organizations and merchandisers that customary trade with Canadians will be hampered in any material degree by the new regulations.

$37.5 Millions To Build Ships

(Continued from page 1)

war, Davie Shipbuilding can meet the most exacting government requirements.

Dosco in Picture

Halifax Shipyards, a wholly-owned subsidiary of Dominion Steel and Coal Corp., is one of the two main units on the Atlantic coast. Originally established in 1877, the property was destroyed in the Halifax explosion. In the rebuilding, provision was made for shipbuilding (only a graving dock existed before) and the company now has four building ways, 615 feet long and 60 feet wide. Four of the C.G.M.M. boats were built here, including the Canadian Cruiser and Canadian Constructor, two of the largest ocean-going freighters built in Canada. The latter were built in 1921. The company has continued to build vessels, but they have been of smaller size and mostly for coastal work.

Biggest Dry Dock in Canada

St. John Dry Dock and Shipbuilding Co. ranks as one of the senior ship building organizations in the Dominion. The company's dry dock, completed in 1923, is one of the largest in the British Empire, having an extreme length of 1,150 feet, 133 wide and a depth of 43 feet. The dock can be used as two separate compartments. It is the only dry dock on the Canadian Atlantic coast, available throughout the year, that will accommodate the largest ships afloat.

While most of the company's activities have been devoted to repair work, St. John Dry Dock could swing into the actual construction of the vessels without difficulty.

B. C. Industry Ready

Rebirth of shipbuilding which in the 1918-23 period provided British Columbia with one of its biggest payrolls and employment for 15,000 men, is expected as one early development of that province's wartime industrial activity.

In the shipbuilding boom following the last war, British Columbia yards launched 135 steel and wooden ships costing more than $90 millions. Facilities are already available for rapid expansion of existing yards.

It is reported that G. A. McMillan, marine superintendent for Canadian National Steamships Ltd., and formerly head of the Prince Rupert dockyards, may be taken by the Government to fill an executive post on the proposed shipbuilding programme. Mr. McMillan is a shipbuilder, and during the war was in charge of construction of naval vessels.

Vancouver yards are in position to start almost immediate construction of any vessels ordered. During and just after the war a big fleet of 5,000 to 8,800-ton freight vessels was built here. Skilled labor and raw material is readily available.

The big shipbuilding grounds on False Creek, formerly operated by J. Coughlan & Sons Ltd., could reengage in shipbuilding.

In Victoria, Victoria Machinery Depot and Yarrows Ltd. operate the principal yards. The Cholberg, Cameron-Genoa and Spratt plants have been dismantled.

Could Make Large Ships

According to Clarence Wallace, president of the Wallace Shipbuilding Co., Vancouver, ships up to 12,000 tons can be built in Vancouver to meet the war needs.

In New Westminster it is probable that shipyards will find a place in the construction of mine sweepers, patrol boats and other small craft, and as an initial step in the anticipated development of this business, the merger of two New Westminster shipbuilding plants has just been announced.

Star Shipyard (Mercer's) Ltd., have taken over the Dawe Shipyards Ltd. The Mercer firm now controls 6½ acres of valuable waterfront property and will be in a position for immediate expansion.

Ed. Mercer, pioneer shipbuilder, has turned out many craft for the Federal Government and private concerns. His last job was the construction of the fisheries cruiser "Nitinat."

Also Great Lakes

In addition to the shipyards and docks on the Pacific, the Atlantic and the St. Lawrence River, there is an important shipbuilding industry on the Great Lakes. Collingwood Shipyards Ltd. started in 1911 and is still building steamships. Last year it completed a new tanker for Imperial Oil Ltd., using new methods of construction and design. Midland Shipbuilding Co. is a subsidiary of Canada Steamship Lines Ltd. Others listed include Georgian Bay Shipbuilding & Wrecking Co., Midland; Muir Bros. Drydock Co., Port Dalhousie; Port Arthur Shipbuilding Co.; and Russel Brothers, Ltd., Owen Sound. Most of these are privately owned.

Shipbuilding on the scale talked of now would mean important orders for engines and fittings as well as the required propulsion machinery. Not much is known of plants in Canada capable of constructing this type of equipment but one suggested is the Dominion Engineering Works plant at Lachine.

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McLaughlin-Buick Offers Two New Groups of Cars

Two new groups of models have been added to the McLaughlin-Buick line of automobiles, it is announced by General Motors of Canada Ltd., bringing up to six the number of 1940 series of cars of this make. The new series are known as the Fifty Super and the Seventy Roadmaster, and feature "torpedo streamlining" of body contours and elimination of running boards.

Together with 1940 models of former McLaughlin-Buick series—the Forty Special, Sixty Century, and Eighty and Ninety Limited—the new groups of models are now in production at Oshawa and Regina plants of General Motors. New features of all new cars include sealed beam headlights, under seat heating, front and rear turn signal, and some 65 other improvements and refinements.

Gold Held Under Earmark And Foreign Deposits Gain

Gold held by the Bank of Canada, earmarked for foreign account, increased by 1,844,000 oz. in August to 16.5 million oz. At the current rate quoted by the Foreign Exchange Control Board on New York funds, this has a value of $637.5 millions in Canadian currency. The gain in August had a value of $70.9 millions.

The increase probably represents both refugee funds and additional reserves of foreign governments on this side for armament purchases.

During the same month the deposits in currencies other than Canadian with the chartered banks, for foreign account, increased from $89.3 millions on July 31 to $121.1 millions on Aug. 31.

Features

in the October issue

THE CANADIAN CHARTERED ACCOUNTANT

New Dominion tax legislation—War surtax and excess profits tax

Problems of the practising accountant

Foreign exchange control regulations

Learned judges and the auditor

Stock brokers' accounts

Published monthly. $2.00 per annum. Subscription open to all. Sample copy sent on request. A. H. Carr, Editor, 10 Adelaide Street East, Toronto.

War Calendar

In continuing to organize Canada's war effort, the Dominion Government:

Proclaimed:

New Zealand Trade Agreement Extension.

Passed Orders-in-Council:

Amending Foreign Exchange Control order—Sale of securities to non-residents for other than foreign exchange prohibited.

Making Exchequer Court a War Prize Court.

Prohibiting issue of subversive literature.

Appointed:

War Supply Board: Wallace R. Campbell, chm., no salary; R. C. Vaughan, vice-chm. and director of purchases, no salary.

Agricultural Supplies Committee: A. M. Shaw, chm.; Dr. A. T. Charron, R. S. Hamar, Dr. E. S. Archibald, G. B. Rothwell, Dr. J. M. Swaine, all in Dominion Department of Agriculture.

Foreign Exchange Control Board: G. F. Towers, chm., Governor, Bank of Canada; W. C. Clark, Deputy Minister of Finance; H. D. Scully, L. D. Wilgress, N. A. Robertson, government service; Alex. McBain.

Added to Wartime Prices and Trade Board: A. M. Shaw, Chas. P. Herbert, government service; S. R. Noble, sugar controller; H. J. Hobbins, asst.

War Charities Act Administration: W. Gordon Gunn, solicitor, State Department.

Director Internment Camps: Brig. Gen. E. B. Panet.

Censorship Committee for radio in Quebec elections: Dr. Maurice Ollivier, K.C., parliamentary counsel, House of Commons; Paul Fontaine, Romeo Gibeault, Department of Justice.

Voluntary Service Registration Bureau: Dr. E. H. Coleman, chm., Under-Secretary State; Major E. G. Weeks, J. F. Delaute, Major G. W. Ross, civil service.

The Defense Purchasing Board called tenders for:

Grading R.C.A.F. airport, Debert, N.S.

Surfacing R.C.A.F. runways, Yarmouth, N.S.

Ford Output Speeded Up

(Continued from page 1)

volume of the parent U. S. company for the last four months of the year will be 44% greater than a year ago and the last quarter output will be greater than in any of the past four years.

Problem of Exports

One phase of the war uncertainties affecting Ford Motor Co. of Canada is the problem of Empire export shipments, which ordinarily absorb about half of the company's output. Apart from the difficulties of making export shipments during wartime, there is the question of how war conditions, and such measures as rationing of gasoline in New Zealand, will affect motor car operation and sales in export markets.

As far as Canadian prospects are concerned, it would seem a reasonable expectation increased industrial activity and better employment resulting from the war, should have a favorable effect on automobile sales. It is possible that the company will be called on to utilize its production facilities for output of war materials, but no official indications of plans along this line have been given.

Tractor Distribution

Date has not yet been set for start of distribution in Canada of the new Ford tractor, which is to be made available through regular dealer channels in the Dominion though no production will be undertaken for the time being in the Windsor plant.

It is expected that one or two of the new tractors will be demonstrated at the Ontario Plowing Match at Brockville this month.

New features of the 1940 Ford and Mercury lines include fingertip gearshift levers on steering column, draftless ventilation window control, sealed beam headlights, and a ride stabilizer device. Convertible models in the Ford De Luxe and Mercury lines, are equipped with mechanisms for raising and lowering the top automatically in a matter of seconds. New trucks and commercial cars were also presented this week.

Anglo-Dutch Refining Proceeds With Purchase

From Our Own Correspondent

MONTREAL. — Anglo-Dutch Refining Co. plans to proceed with the purchase of Acadia Sugar Refining Co., according to an announcement made by J. McGregor Stewart, president of the latter concern.

The change of ownership will take place on Oct. 31. The purchase price is $1.5 million in cash and $1.5 million of 15-year 6% debentures.

The deal was approved by shareholders of Acadia Sugar late in August. The outbreak of war resulted in an extension of the purchase agreement for a month.

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MOUNT ROYAL HOTEL MONTREAL

London Calling— By Atticus

New Camaraderie Develops in a Darkened London Deserted By its Women and Children — A French View of Hitler

LONDON.—Many English families which in past year have sought sanctuary in the country to be far from the madding crowd are now acting as hosts to crowds of children and mothers from evacuated areas. Those of us who have looked upon the countryside as something to be enjoyed or endured only for a week end now find that our beloved London has become the deserted village. Twice recently when joining the circle of wise men at my club at 6 p.m. I have seen fewer than half a dozen people in the whole of Pall Mall.

* * *

New Camaraderie

In the absence of wives and children, most of us have become either hosts or guests and are sharing the black-out and the domestic virtues with each other. Yet I must confess to being agreeably surprised, when dining with the Chancellor of the Exchequer and Lady Simon last week, to find that this camaraderie had extended even to Downing Street.

There is a splendid mystery about dining in Downing Street these nights. As is to be expected, the policy of the black-out is carried to its fiercest gloom in that historic alley. As one's car gropes for direction a torch is flashed at one. "Who are you, please, and what is your business?" I confessed to being a member of Parliament and that my purpose was to dine at No. 11. This completely satisfied the sheriff's posse and we continued to grope unimpeded.

The Chancellor was in his most mellow mood, while Lady Simon was sympathetic and lively—a combination few women can boast. To those of my colleagues at Westminster who are undecided as to whether they will choose No. 10 or No. 11 for their eventual residence I would contend that there is much to be said for No. 11. It is more of a home and less of an office than the place next door. The dining-room is especially warm and personal.

* * *

Lord Hankey

But I was forgetting Lord Hankey. At about 10 o'clock he strolled in, sat down, and joined in the conversation. I naturally assumed that the little man of infinite secrecy had come to see the Chancellor on urgent business and prepared to depart. Yet nothing in the conversation pointed to any such thing. At the end of the evening, Sir John explained the mystery. "Hankey is living here," he said. It might have been a scene in Peckham Rye or even Palmers Green, where the lodger, having been to the public-house or the public library for the evening, comes home and has a friendly word with the family before going to bed. In fact, looking at Lord Hankey, who is now of course a full-fledged but non-departmental member of the War Cabinet, I thought what an interesting variation could be written now on the theme of the stranger in "The Third Floor Back." Incidentally, recalling his Shakespearean brow which belies his unobtrusive appearance, I wonder if Maurice Hankey was never tempted to write.

* * *

French Calm

Alexander Woollcott, the American humorist, said recently that the British have a special genius at a time of crisis for flying into a deep calm. That is charming, and especially so coming from such a discerning American. Yet I think it could be more honestly attributed to the French than ourselves. Once in the last war I dined at the mess of a French regiment where the colonel had a word or two with the cook. The whole place rocked with excitement and everyone shouted and gesticulated with sheer frenzy. The next day I watched the regiment depart for the line to help stem a retreat. A deep calm, almost a deep boredom was on everyone. They might have been going to draw their ration of potatoes.

I was reminded of this when meeting last week that distinguished veteran of French journalism, M. Jules Sauerwein. He was, of course, foreign editor of the "Matin" for many years but took a similar post on the "Paris-Soir" in 1931, when that journal was beginning its remarkable climb to immense circulation figures. M. Sauerwein was born in 1880 and has therefore reached that pleasant plateau of life where he can look back with satisfaction and forward with interest.

* * *

Price of Peace — Hitler

He is an excellent linguist, and has the personality of a domesticated and thoroughly happy husband and father. I know nothing of his private life, but I hope that so paternal and friendly a soul has both wife and family to bear him company. M. Sauerwein was in Berlin up to within a few hours of the outbreak of war—an experience which has engendered in him a deep calm. He does not believe that either Germany or the Nazi Government has the morale for a real war. According to him, Goering and Ribbentrop have not spoken to each other for months. "But what surprises me," said our distinguished visitor, "is that no one in England seems to have grasped the perfide character of Goering's speech the other day." This is what Goering actually said:-

"Shall we be parted from such a Leader (Hitler) at the wish of Great Britain? It is too monstrous to speak of. We want peace, but peace at the price of our Leader is to destroy the German nation. Germany is Hitler and Hitler is Germany."

That speech, according to M. Sauerwein, was as perfide as that of Mark Antony. For the first time the German people were told that the price of peace was—Hitler. "And Hitler is an honorable man." I cannot estimate the accuracy of this interpretation but certainly Paris knows more about the trend of events than we are allowed to learn in London.

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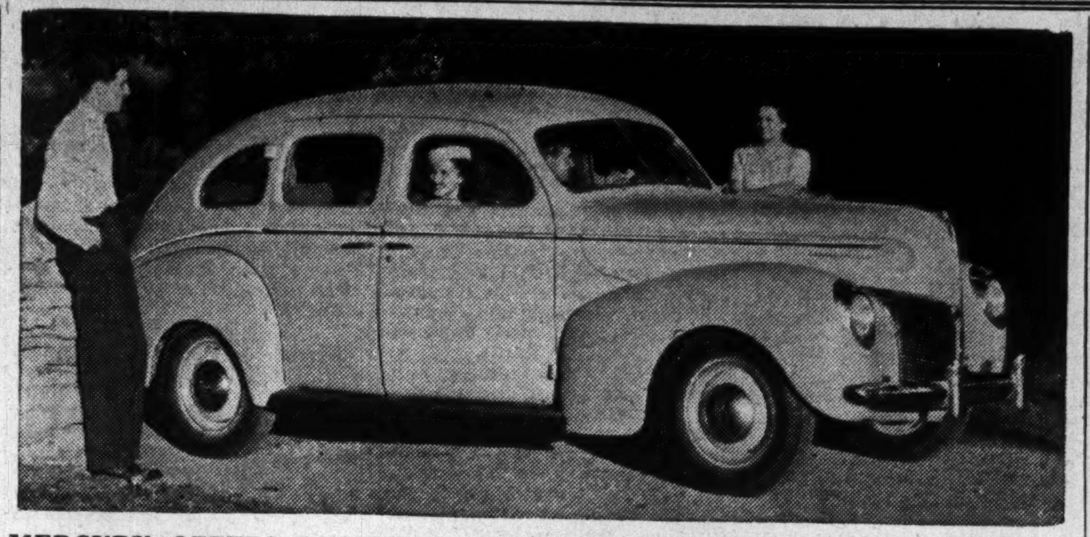

MERCURY OFFERS FINGER-TIP GEARSHIFT

Now entering its second year of production, Ford's Mercury Eight line includes finger-tip gearshift levers on steering column, "sealed beam" headlights and draftless ventilation window control among new features of the 1940 models. Pictured above is the four-door town sedan. The three features mentioned are also embodied in the improvements announced for the new models of the Ford V-8 and Deluxe Ford V-8.

Experienced Trust Service

coupled with the human touch.

Crown Trust Company

Executors — Trustees — Financial Agents
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Steel Engraving WEDS DIGNITY to SAFETY

MONETARY DOCUMENTS which have been steel engraved are dignified and distinguished. You will have noticed how bank notes, stock certificates, bonds and similar "money symbols" engraved in this manner reflect character and quality.

But the fine art of the master steel engraver achieves more than dignity . . . it achieves safety, because produced on specially prepared safety paper, steel engraving is proof against illegal duplication and alteration.

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EXPERT AND EXPERIENCED ENGRAVING and Printing of Bank Notes, Bonds, Debentures, Stock Certificates, Cheques, Drafts, Postage and Revenue Stamps and other Monetary Documents.

2-39

CANADIAN BANK NOTE COMPANY Limited

HEAD OFFICE and WORKS OTTAWA

BRANCH OFFICES TORONTO MONTREAL

Nazi, Soviet Sympathizers Lead Drive On Congress

Nazi and Soviet governments have ordered their sympathizers in United States to use all means of influencing the U. S. Congress against repeal or amendment of the Neutrality Act, Turner Catledge reveals, writing in The New York Times.

"Typical is the following cablegram, said to have been sent from Berlin to German sympathizers in the United States:

"'In view of the forthcoming meeting of Congress and possible amendment of neutrality laws following alleged Athenia incident and bombing of open towns of Poland, please ask all our American friends at once to appeal by telegram for the full maintenance of neutrality laws. Remind them of the last war and futility of sacrifice made by all, including the United States, and particularly that there is no real difference between American and German people. War should remain localized and a new world war avoided in all circumstances. Please do utmost to assist.'"

—Marcus in N. Y. Times.

The article states that so great is the protest bombardment of Washington against repeal that business at the Senate post-office is heading toward an all-time record.

C.P.R. Income Moves Upward

Net Operating Revenue Up to August Well Ahead of 1938

From Our Own Correspondent

MONTREAL. — Canadian Pacific Railway reports a comparatively sharp increase in net operating income in August, but the gain is not so marked as has been indicated by the weekly reports for September.

Gross operating revenues totalled $12.6 millions, a gain of $472,000 over August last year. Operating expenses advanced only $57,128, leaving net earnings of $905,950, up from $491,021 for the same month a year ago.

Big Gain To Date

The steady improvement in net results is reflected in the cumulative returns for the eight months ended Aug., 1939. During that period, gross operating revenue totalled $86.1 millions, an increase of over $1.5 million compared with the like period of 1938. At the same time operating expenses were reduced by over $1.6 million, leaving net operating revenue at $6.883.453. This represents a gain of $3,204,066 over the same period last year.

The Home Front

Voluntary Registration of Canadian Women

The Financial Post herewith presents the first of a series of articles reviewing the aims, organization and personnel of volunteer Canadian groups assisting in the Dominion's war effort.

Just about the time Prime Minister Chamberlain proclaimed at Munich that "peace in our time" was ensured by Germany's pledge that she had no further territorial ambitions in Europe, a small group of Canadian women began to piece together a plan for marshalling this country's women for war.

With the second Great War scarcely under way the National Committee for Voluntary Registration of Canadian Women enrolment plan is in effective operation. Thousands of women have volunteered their services in many varied capacities.

Purpose of the registration is to place before the Dominion Government a survey of the woman power of the nation, and what use it can be put to in a national emergency. The Committee executive expects that of Canada's potential army of women capable of fulfilling useful functions, totalling 3 millions, 1.5 millions will register.

Hon. Norman McLarty, Minister of Labor, has indicated in a letter to the organization that the Dominion Government will accept names of women whose services are available for industry on a full--time basis. Women whose domestic duties preclude them from full-time work shall not be included in the returns of the registration. This class is largely of interest to local organizations, the minister states.

Details of making the results of their work available to the Government will be worked out.

Co-ordinate Women

It is also the purpose of the organization to co-ordinate the activities of the various bodies that have sprung into activity across the Dominion.

Funds for carrying on the organization's work have been supplied privately through donations of members and friends. There has been no general appeal for funds. It is not proposed to pay salaries. Nor is it the purpose of the organization to ask for grants.

Response in the many cities where registration has been opened is described by Committee executives as gratifying.

When the work is completed it is the intention of the National Committee for Voluntary Registration of Canadian Women to present the Government with complete data on what Canadian women can do in wartime.

The compilation will inform the Government that a number of Canadian housewives are willing to take British children into their homes during the duration of the war, to protect them from faulty diet and the psychological damages engendered by modern warfare.

Another group will be available for clerical positions; another for munition workers, first aid workers, motor mechanics, typists, stenographers, laboratory technicians, teachers, etc.

To Take Active Part

The questionnaires, available at registration stations, have been patterned on the forms found most satisfactory in Great Britain and elsewhere in enrolling women. They are designed to provide exhaustive data on the applicant's qualifications

It is expected that registration will be completed within one month's time of all Canadian women who wish to participate but it is believed that additional enrolments will be received after this date.

In the Great War women fulfilled numerous functions at home and in the field, the best known of which were knitting socks, rolling bandages, making munitions, nursing, and driving vehicles. In this war the voluntary registration organization envisions a much more active rôle for Canadian women.

Numerous Volunteers

When the registration has been completed the arduous work of classifying volunteers will proceed. The machinery for this statistical work has not yet been set up.

Before the registration stations were opened, many offers of service from all strata of society were sent to the National Committee headquarters. Every type of service was offered from blood donors to censors.

One Ukrainian woman, living in western Canada, who speaks eight languages, offered her services as a midwife. Another, a Jewish woman declares, "I owe this lovely country everything," and offers her services in any capacity.

Widespread Response

From far-away Yellowknife, N.W.T., a mother of three children and according to her own description, "a very plain person," offers her services as a blood donor.

It is emphasized that it will facilitate the work of the organization if applicants fill in enrolment forms at local registration booths. The addresses of these stations are being advertised in local newspapers.

Many prominent Canadian women comprise the national executive of the National Committee for Voluntary Registration of Canadian Women.

Local committees are proceeding with the work of registration. Services in all cases have been voluntary.

National Executive

Following are the national officers of the Voluntary Registration of Canadian Women:

Honorary chairmen: Mrs. George Spencer, Moncton, N.B., president, National Council of Women; Mrs. H. McGregor, Penticton, B.C., president, Federated Women's Institute of Canada.

National chairman: Senator Iva Campbell Fallis, Peterborough, Ont.

First vice-chairman: Dr. Ellen Douglas, Winnipeg.

Second vice-chairman: Mrs. J. P. Hynes, Toronto.

Chairman of the executive committee and director of organization: Margaret P. Hyndman, K.C., Toronto.

Vice-chairman of the executive committee: Miss Emily F. Lynch, Windsor, Ont.

Vice-chairman for the Yukon: Mrs. George Black, M.P., Dawson City, Yukon.

National Treasurer: Mrs. C. Widdifield, Stratford, Ont.

National secretary: Miss Grace M. Ord, Islington, Ont.

Assistant national secretary: Mrs. Albert B. Cottrell, Toronto.

Joint conveners of finance committee: Mrs. A. J. Freiman, O.B.E., Ottawa. Alternate, Mrs. D. Dunkelman, Toronto, and Mrs. George Cockshutt, Brantford, Ont.

Municipal Plans For Debt Ready

To Present Ontario Refunding Scheme to Board

Plans for refunding the debenture debt of three Ontario municipalities have been completed, Hon. Eric Cross, Minister of Municipal Affairs, announces.

The three municipalities, Fort Erie, Thorold and Penetanguishene defaulted on debenture debt and have been under supervision of the Municipal Department. The plans await only the approval of the Ontario Municipal Board, having received approval of debenture holders committees.

In these three refunding plans maturities are extended and interest is carried at contractual rates to original maturity dates, and at 4½% for the period to which maturities are extended. Arrears of interest are to be calculated on this basis to May 13, 1939, and paid on a basis of 90% of full payment.

Callable features on the municipalities' obligations are included in the arrangements, enabling the municipalities surplus funds to repay debentures before maturity. This will enable the issuer to take advantage of any decline in interest rates.

To speed up delivery of new debentures to holders a penalty is imposed upon municipalities not making delivery of debentures or cash payments within 60 days from the time the Municipal Board approves the plan. Penalty rate is to be 4½%.

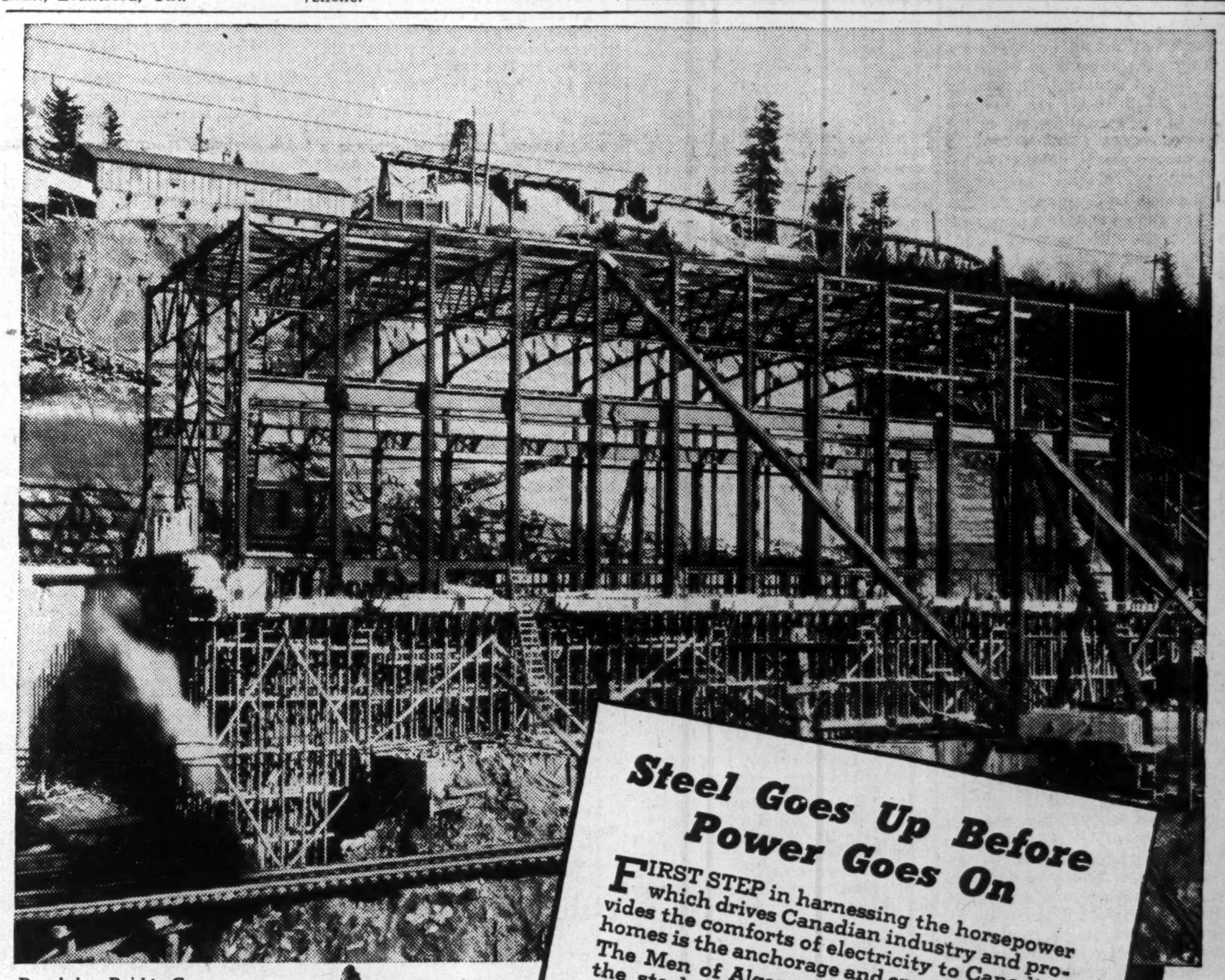
Approximately $1.7 million of debentures is involved in the refunding plan for Fort Erie; $625,000 for Thorold, and $194,000 for Penetanguishene.

SIMPSON'S — The Store for Men

There's a HARTT Shoe for Every Spot in Your Fall Wardrobe!

Here's a good example of fine HARTT craftsmanship ... a trim receding-toe balmoral oxford ideal for Fall days in town. Built in the dependable HARTT manner to assure you comfort and distinctive style from the first step. Brown 10.50, black $10. Other handsome HARTT shoes in light, medium and heavier weights from $10 to $12. Street Floor.

SHOES ARE EXCLUSIVE IN TORONTO WITH Simpson's

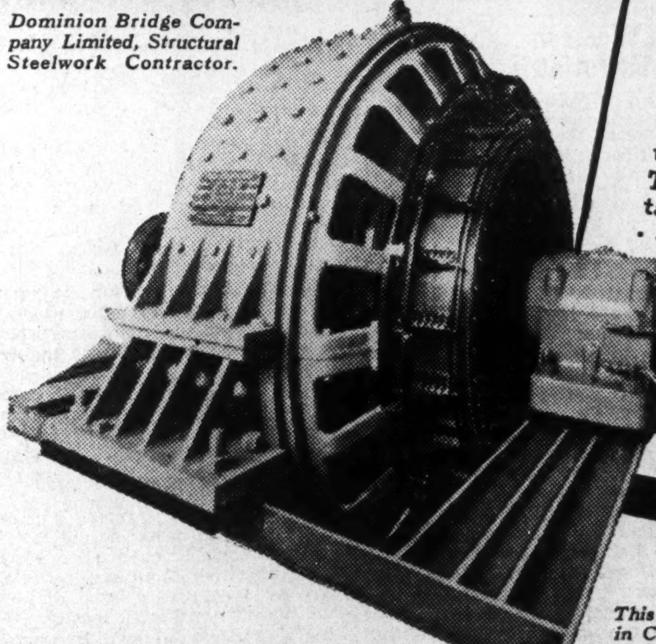


Dominion Bridge Company Limited, Structural Steelwork Contractor.

Steel Goes Up Before Power Goes On

FIRST STEP in harnessing the horsepower which drives Canadian industry and provides the comforts of electricity to Canadian homes is the anchorage and erection of Steel. The Men of Algoma produce practically all the steel shapes and sections used in the construction of modern hydro-electric power plants and transmission lines. Thus, in the construction of the Stave Falls Plant of the British Columbia Electric Railway Company (above), a substantial part of the steel used was supplied by Algoma. The Men of Algoma make steel for basic tasks like this, and for fabricating . . . forging . . . machining into steel products of every kind. In Canada, wherever steel is used, their steel is on the job.

ALGOMA STEEL CORPORATION, LIMITED
Montreal—SAULT STE. MARIE—Toronto
Pacific Coast Representatives: F. Drexel Company, Vancouver



This giant 5,000 h.p. motor is one of the largest in Canada, and drives Algoma's 30" Rail and Structural Mill. The electrical manufacturing industry is a large consumer of steel from Algoma.

ALGOMA STEEL

Investment Trends

Consolidation Period For Stocks Indicated

Uncertain Outlook Justifies Some Pause to Study Real Effect of War Conditions — Abitibi Plans and Market Diverge

Stock markets have quieted down after the early September rush. It is not so much that any large declines have been experienced but rather the symptoms seem to suggest a period of consolidation. After such a sharp move toward higher levels a period during which the so-called technical position of the market could be strengthened would be a sound development. Perhaps also in the minds of investors is the worry of a new set of conditions if the war should end suddenly.

Actually Canadian stock markets have given a good account of themselves, divorced as they are from direct influence of New York. There has been no sign of anything more than an ordinary consolidation movement here and it has been accompanied by a marked decline in activity.

As investors have better opportunity to appraise the probable effect of war measures and war needs, the market should get more selective. We will soon begin to know what businesses are going to carry on without injury, or show gains, and which are going to find progress difficult.

Canadian industry still has not felt the results of the buying that will take place to satisfy the essential requirements of waging a war on the scale of this conflict. Now that the first rush to buy stocks is over, it might be well to take more time to study probable effects on varying companies and make a more discriminating choice.

* * *

The Abitibi Plan

Abitibi security holders are being informed, through the press, of the latest scheme to rehabilitate their company. As one man pointed out this makes plan No 56. What its fate will be cannot be foretold as yet, but the more one looks at the situation surrounding Abitibi, the more regrettable it appears. There is no good reason why it should have taken over two years to come to an agreement in this case. It looks all too much as though various interests are using the security holders as pawns in a battle to obtain control of valuable properties. Moreover, it appears to an outside observer as though this criticism can be pointed at all parties alike.

Also it is suggested that a certain amount of caution is desirable in proposing a reorganization plan under abnormal times such as the present. In this respect, it looks as though the latest proposals may be counting too much on a war-inspired prosperity for the newsprint industry. There is little in the past records of earnings for any newsprint company to indicate that a capitalization which requires record earnings for support is justified.

* * *

Share Relationships

Judged from the proportionate number of common shares to be given to various equity interests, the 7% preferred should be worth 120 times the present common while the 6% preferred should be quoted at 40 times the price for the common. If this is the case, then either the common is grossly overvalued or the preferred stocks quoted far below their real values.

At the close on Oct. 3, Abitibi common was quoted at $1.50 a share. On this basis the 6% preferred should have been $60 a share and the 7% preferred $180 a share. Actually, the 6% stock closed on the same date at $16 a share and the 7% issue was traded at $30 a share. On the same basis of calculation, the 7% preferred should be worth three times as much as the 6% issue. This would have given the 7% stock a market price of $48 a share, assuming that the 6% issue was fairly priced at $16 a share.

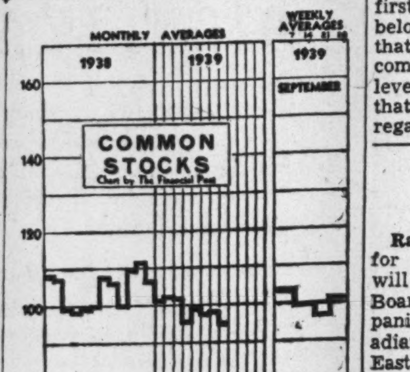
* * *

Excess Profits Tax

Interest in the new Excess Profits Tax and its possible effect on leading Canadian companies continues. Anything calculated, however, must be on a very uncertain basis except in so far as examination of many companies makes reasonably clear which of the alternative methods of computing and paying the tax is likely to be elected.

One point that has come up in several cases is whether or not it will be permissible to deduct a deficit in the balance sheet from invested capital in calculating what the exempt 5% return on invested capital might be. The Financial Post has learned from the Department of National Revenue that deficits cannot be deducted from the accepted paid up capital. Another point cleared up is that of including or omitting a capital surplus account which has resulted from revaluation of assets. This item would not be included in calculating invested capital.

McLeod, Young, Weir & Co. has issued an extensive calculation aimed at showing how much 45 Canadian companies could be expected to earn before Excess Profits Tax would become effective under one or the other of the alternative plans.



Out of the 45 companies studied, McLeod, Young, Weir & Co. calculate that 25 would have had to pay excess profits taxes had the new schedule been in effect for 1938 earnings.

* * *

Recommends Canadian Stocks

Canadian securities are expected by Southgate & Co., New York brokerage house, to rally to the stage where American prices for these stocks are on a par with Canadian prices. Reason given is Canada's favorable trade balance with the United States which, according to this firm, should be expanded by exports of Canadian raw materials to the U. S. during the war period.

U. S. investors are recommended by Southgate & Co. to buy Canadian stocks in spite of the exchange control and discount on the Canadian dollar. American investors, however, are cautioned to purchase only in the New York market and only those stocks or bonds which pay interest or dividends in U. S. funds. It is also important, it is pointed out, to ascertain that the securities are already in the U. S. as it is not possible to export from Canada a security carrying payment in a foreign currency.

Amalgamated Electric New Stock on Board

From Our Own Correspondent

MONTREAL.—Amalgamated Electric Corp.'s new capital stock has been called for trading on the Montreal Stock Exchange. The listing covers 84,420 shares no par value common stock out of a total authorized issue of 100,000 shares.

The present stock arises out of the company's recent capital reorganization by which holders of the old preferred stock were allotted four new common shares for each preferred share held, and holders of the old common stock were given one new common for each five old shares held. The company now has no preference stock and there is no funded debt.

National Breweries Ltd. Elects New Directors

From Our Own Correspondent

MONTREAL. — Hugh Mackay, K.C., and Charles Howard Gordon, son of the late Sir Charles Gordon, have been elected directors of National Breweries Ltd.

Mr. Mackay and Mr. Gordon take the places on the board of the late Frank P. Jones and the late Julian C. Smith.

Distillers-Seagrams To Pay in U. S. Funds

From Our Own Correspondent

MONTREAL. — Distillers Corp.-Seagrams advises that the company has received permission from the Foreign Exchange Control Board to pay the Nov. 1 dividend on the company's 5% preferred stock in United States currency.

Goodyear Sales Up This Year

Profits Lower But Still Exceed Dividend Needs

Sales of Goodyear Tire & Rubber Co. of Canada, Ltd., for the first three quarters of 1939 show an increase over the previous year, according to A. G. Partridge, president. Net earnings, however, are lower than in the first nine months of 1938, although still exceeding all the dividend requirements.

A reduction of from 15 to 20% as compared with 1938 has been shown in registration of new motor vehicles, passenger cars and trucks in Canada this year, says Mr. Partridge. He also mentions wartime conditions as having an effect on the company's export market, imposing exchange restrictions and increasing the cost of crude rubber and many other commodities which Goodyear must import.

Record Earnings in 1938

In 1938, for the first three quarters of the year, Goodyear reported that net sales were down from 1937. For the full year, however, earnings were up substantially, chiefly because of a profit on inventory valuations through price changes.

Although it is not known yet by what amounts the profits for the first nine months of this year are below last year, it seems possible that the full year's results should come pretty close to an average level, as the president pointed out that the 1938 profit level should be regarded as more or less abnormal.

Market Opinions

Comment on New York stock markets continues optimistic but there is a hint here and there that the next few weeks may provide testing periods.

Journal of Commerce and Commercial, New York (Jules I. Bogen) —"Developments in connection with the 'peace offensive' that Germany, Italy and Russia are to launch in full dress this week will dominate the course of stock price movement for the immediate future.

"The current sharp upswing in industrial activity, of almost unprecedented vigor, no longer is sufficient, in and of itself, to support the existing level of share quotations. If the war were to end within the near future, and a sudden contraction of buying pending deliveries on existing large unfilled orders were to follow, industrial production would begin to decline rapidly within a few weeks. The stock market would doubtless discount such a decline without delay."

* * *

The Financial World, New York—"War news continues to dominate the attention of the general public, but in market circles attention has been shifting from the 'war bride' type of stocks to the shares of companies which stand to reap a significant benefit from the business recovery inspired largely by purely domestic influences. This is as it should be.

"The capital goods industries have been the ones that have been most depressed and it is here that the greatest progress is now being made in the recovery movement. The shares of companies operating in this field continue to possess the greatest potentialities for further market appreciation although conservatism dictates against concentrating all of one's funds in issues of this type.

"High-grade bonds and preferred stocks which are selling at substantial premiums continue to occupy a generally unattractive position with holders running the risk of material price decline as interest rates advance."

* * *

Barron's, New York (The Trader) —"Obviously the stock market, which appraises business activity and earning power, is something more than a shuttlecock to be batted about by European developments. Either a major movement is under way or what took place in the first half of September was a flash in the pan. The data on business activity and reports from industrial centres belie the latter. Hence it is much more likely that the latest reaction, which stopped well above the level established in the wave of defeatism on Monday, Sept. 18, accompanying the Russian invasion of Poland and the sinking of the British aircraft carrier 'Courageous,' resulted from an impairment of the technical position such as is bound to occur at some stage of an excited speculation for the rise."

* * *

The Annalist, New York—"The market is now at a critical level. The averages are only slightly below the high point reached last November. The high point reached in the advance was approximately equivalent to that made last January. At this level, it was, of course, to be expected that substantial resistence would be encountered. The market ability to hold following its recent rapid advance, the decline in volume on last week's reaction and the market's prompt recovery, together with the establishing of new records by a number of important groups of stocks during the week, suggests the possibility of a general advance to new high levels.

"It is impossible to say definitely, however, that such a break-through will occur because the supply of stocks around the November high levels may turn out to be too great for the market to absorb. But, if this important supply level is once penetrated, it would not be at all surprising to see a further rather substantial rise."

* * *

Brookmire Counselor, New York —"Irrespective of the arms embargo debate here and the peace talk abroad, one great fundamental remains unchanged: basic recovery is proceeding with vigor. Current recession in the stock market represents, not a reason for excess caution, but an opportunity. Advantage should be taken of this corrective period to recheck portfolios in order to assure that there is adequate representation in steel, railway equipment, machinery and aviation groups."

Investment Notes

Rail Equipment Stocks — Orders for $25 millions of rail equipment will be placed by the War Supply Board with the rail equipment companies in the next week or two. Canadian Car, National Steel Car and Eastern Car are the principal likely beneficiaries of this work, which should keep the plants operating for some time.

C.S.L.—The market action of both the preferred and common stocks would seem to bear out the report that there is more than an amateur investment interest in these stocks.

Canadian Locomotive—Stock has not been particularly active, but more interest may be directed that way in view of the orders being placed shortly for new locomotives. Also it should be remembered that this company was an important maker of munitions during the last war.

Shawinigan—There is some talk of an advance in dividend, but no comment available in official circles. Revenues continue along favorable lines and on last year's basis a moderate increase in distribution is possible.

Beauharnois — Strength in this company's stock may be due to reports that deliveries to Ontario Hydro are likely to be stepped up ahead of schedule.

Bank stocks—One of the interesting features of the stock markets in the past couple of weeks has been the strong comeback of the bank stocks. For a time they sagged badly, but in the past week they have snapped back and most of the lost ground has been regained.

Bell Telephone — After dropping below 140, Bell Telephone stock has climbed back to 160. Early selling apparently was predicated on the belief that rising costs and fixed rates would imperil ability of the company to maintain dividends. Others seemingly think otherwise, judging from the steady recovery in price.

C.P.R. Common has come in for considerable attention recently. In the week ended Sept. 30 it was the most heavily traded stock on the Montreal Stock Exchange. Reflecting the increased demand the stock touched 9¾, the highest level reached since 1937. The increased demand results from the recent sharp increase in railway earnings and the outlook for continuance of this trend.

York Knitting.—J. Douglas Woods, managing director, has announced a wage increase of 10% for all plant and office employees of the company. Mr. Woods points out that this increase is designed to offset higher living costs caused by war and adds that the company's policy will be to make further wage adjustments, as living costs continue to fluctuate.

Toronto Elevators is expecting good business in the current year, G. C. Leitch, president, told shareholders at the annual meeting.

Canadian Breweries.—Current indications are that volume of sales will increase sufficiently to absorb the heavier taxes now being imposed on the Canadian brewing industry and provide for increased profits, says E. P. Taylor, president. His company is, therefore, recommending that present prices for beer be unchanged.

Champion Savings Corp. states that its sales representatives have found increased interest in savings certificates because of war.

Tip Top Tailors — The company advises The Financial Post that it is operating 51 stores in Canada at present as well as approximately 2,100 agencies in this country. Its affiliated company in the U. S. has opened to date seven stores, one in each of the following cities: Linden, N.J.; Albany and Buffalo, N.Y.; Columbus, Ohio; Royal Oak, Mich.; Washington, D.C.; Atlanta, Ga.

Imperial Tobacco—Increased cigarette sales in August is indicated by the government report that withdrawals during the month totalled 718 million cigarettes, as against 669 million in Aug., 1938. The Government reports increase was greater than seasonal.

B. A. Oil Producing Co.—A second well has been brought in in the Californial coastal district by the company on the holdings of Bolsa Chica Oil Co., which are being developed by British American. The new well is reported to be flowing 1,400 barrels of 25.6 gravity oil and two million cubic feet of gas per day from a depth of 8,772 ft. Production is being reduced in keeping with the curtailment programme.

Brazilian Traction is likely to feel effect of any betterment in foreign exchange position of Brazil, which, according to L. S. Glass, Canada's Trade Commissioner to Brazil, shows promise because of Brazil's improved trade position.

Hinde & Dauch Paper Co. of Canada—In a letter accompanying the recent dividend payment, L. F. Winchell, vice-president and general manager, says: "The state of war has brought demands and situations upon us so presently abnormal as to be exceedingly confusing and trying."

Calgary to Get Gas Rate Cuts

Can. Western Natural Gas Negotiates New Agreement

Canadian Western Natural Gas, Light, Heat & Power Company have negotiated a new schedule of gas rates for Calgary consumers. The new rate starts Jan. 1, 1940, and is reported as a temporary settlement reducing the gas rates for one year.

For household consumers, the rate has been reduced from 33 cents to 27 cents per 1,000 cu. ft. The new general commercial rate is to be reduced from 33 cents to 28 cents per 1,000 cu. ft. For domestic users the reductions range from 5.5% to 17.1% for the largest users. On the basis of the new commercial rate, reductions range from 1% in the small categories to 14.1% for larger users.

Means Reduced Earnings

The new rates apply to all customers of the company, which also serves Lethbridge and a number of towns and villages in southern Alberta.

The report of the gas committee of the city council points out that based on earnings of 1938, which is regarded as an average year, the new rates would mean around $211,000 less revenue to the company.

One reason given for the new schedule has been an estimated longer life for Alberta gas fields because of application of provincial conservation measures. The gas company has agreed to pay all costs incurred by the city as a result of the survey and negotiations.

Kelvinator Net Covers Dividend

Dividends from English Subsidiary Held Up

Volume of sales for Kelvinator of Canada, Ltd., has been well maintained during the past year and is approximately equal to that of the year which ended Sept. 30, 1938, according to C. W. Hadden, vice-president and general manager.

Though final results for the year ended Sept. 30, are not yet available, it is now established that profits for the year, after all charges, including interest, depreciation and taxes, will be more than equal to dividend payments of 50 cents a share on the common stock.

In the year ended Sept. 30, 1938, Kelvinator earned $1.26 a share on its common.

In England, the company's subsidiary has had operations as satisfactory as could be expected in view of the unsettled conditions prevailing. A substantial volume of air-conditioning business, mostly for export, has been obtained. Depreciation in sterling exchange, together with wartime restrictions in connection with the transfer of funds, have prevented the Canadian company from receiving dividends from its English subsidiary as has been usual in recent years. The consolidated position of the companies will undoubtedly be affected adversely.

Mr. Hadden states that in view of the above fact, the director has felt it wise to take a reasonably conservative position on dividends this year.

Vickers' Trustee Has Subsidy Cash

Company's Bonds Now in Default — Working on Plan

From Our Own Correspondent

MONTREAL.—Canadian Vickers is now in full default as to interest and sinking fund on its 6% first mortgage bonds, the usual period of 60 days grace having expired. At the same time the trustee for the bondholders has on hand some $55,000, representing the half-yearly payment under the Dry Docks Act. This creates somewhat of a problem. While the trust deed specifically says the Dominion Government subsidy is security for the bonds, still it does not say what the trustee will do with the money, except hold it for the benefit of the bondholders.

Meanwhile various interests are working on a plan for the reorganization of Canadian Vickers. Just what form it will take has not been decided finally, but in any scheme for the rehabilitation of the company the Federal subsidy will rank as an important item.

Newfoundland Railway To Buy Sydney Coal

From Our Own Correspondent

MONTREAL.—The Newfoundland Railway is expected to take about 20,000 tons of coal from the Dominion Coal Co. at Sydney. The railway usually purchases its coal in Great Britain, but scarcity of shipping tonnage consequent upon the outbreak of war makes this difficult.

The steamship Ungava, owned by Job Bros. Ltd., St. John's, has been chartered by the railway. It will be used to relieve the congestion on the railway's coastal steamers during the next few weeks when fishermen are returning from Labrador.

Detroit Tunnel to Pay Initial Common Divid.

Detroit and Canada Tunnel Corp. has declared an initial dividend on the common stock of $1 a share, payable in U. S. funds Oct. 16, to shareholders of record Sept. 30.

Dealers in High Grade Securities

Government
Municipal
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INCORPORATED
Established 1883
255 St. James St. West
MONTREAL
OTTAWA TORONTO

Gatineau Net Jumps Ahead

Higher Gross and Lower Fixed Charges Help Net Profits

From Our Own Correspondent

MONTREAL. — Gatineau Power Co. reports consolidated revenue in the second quarter of 1939 up over $100,000, the increase reflecting primarily additional deliveries on the firm power contract.

While expenses increased and the depreciation reserve was more than doubled, interest charges declined sharply, leaving a net profit of $609,510, compared with $450,643 for the second quarter of 1938.

Comparative statement of the profit and loss follows:

Cons. Profit & Loss Statement
Three Months Ended June 30

	1939 $	1938 $
Gross revenue	2,321,347	2,131,858
Expenses	445,515	376,537
Net revenue	1,875,832	1,755,321
Less: Bond int.	664,962	855,278
Debent. int.	194,707	202,703
Depreciation	350,000	157,957
Bond discount	56,653	88,740
Balance for dividends	609,510	450,643

To Hear Penetang Plan For Refunding Oct. 16

The Ontario Municipal Board has announced that it will hear the plan for refunding the debenture debt of Penetanguishene on Oct. 16. Holders of more than two thirds of the outstanding obligations of the municipality have approved the plan.

Copies of the scheme may be obtained from C. H. Webb, secretary of the debenture holders' committee, 302 Bay St., Toronto, or W. H. Hewson, clerk-treasurer, Penetanguishene.

A Bond With Four Salient Features

Return	—	4.60%
Industry	—	Steel
Security	—	First Mortgage
Convertibility	—	Into Common Stock

Nova Scotia Steel and Coal Company, Limited is controlled by Dominion Steel and Coal Corporation Limited. Iron ore mines of these Companies constitute the most important deposits of iron ore on the Atlantic Seaboard of North America.

Nova Scotia Steel and Coal Company, Limited has leased its mines to the parent company for the life of these Bonds, on a rental basis sufficient to pay interest and to redeem the issue by maturity.

Due January 2nd, 1963, these 3½% First Mortgage Bonds may be exchanged at the holder's option until April 1st, 1940, for Dominion Steel and Coal Corporation Limited Class "B" shares at the rate of 4 shares per $100 Bond.

Price: At the market, to yield 4.60%

Descriptive circular furnished upon request.

Wood, Gundy & Company Limited
Toronto Winnipeg
Montreal Ottawa Vancouver
London, Eng. Hamilton London, Ont.

Paton Manufacturing Elects New Directors

From Our Own Correspondent

MONTREAL.—G. Blair Gordon, president of Dominion Textile Co., has been elected a director of Paton Manufacturing Co., filling the place formerly held by his father, the late Sir Charles Gordon.

At the same meeting, J. W. Booth, director and general manager, was elected managing director and general manager.

"INVESTING in War Time"

•

Announcement of a prize contest designed to stimulate informed discussion of the problems of the businessman-investor under today's difficult conditions.

The Financial Post offers substantial cash prizes for articles dealing with the subject of investment under war conditions.

In order to give point to the articles, it is desired that they should deal with the specific problems of the businessman-investor.

The articles will be judged, therefore, according to the manner in which they answer the following question:

"A Canadian businessman has $50,000 to invest. His income from his business or profession is sufficient to meet his normal expenses. He is investing primarily for protection against the future, but he is ready to accept the ordinary risks of business and investments. Naturally, he seeks a fair return on his capital, but also would welcome the prospect of capital appreciation. What would be your choice of a portfolio for him?"

Prizes will be awarded as follows:

FIRST PRIZE $100.00
SECOND PRIZE $50.00

In addition The Financial Post plans to run a number of the articles that do not win prizes. These will be paid for at our regular space rates, or approximately $25 apiece. In all it is hoped to run at least 10 articles.

THE RULES

The contest rules are brief and simple. They are as follows:

1. Answers must be in the form of an article of not more than 2,000 words suitable for publication in The Financial Post.

In addition to the text of the article the entry must include a list of the specific investments selected.

Contestants are requested to list the portfolio on a separate sheet showing, for each security, the number of shares or principal amount of bonds, the name of the security, its price, and the current income yielded.

Answers will be judged not only on the selection of investments and the division of the fund, but on the presentation of arguments in support of the policy proposed.

2. The manuscript must be typewritten on one side of the paper only. The contestant's name and address should be written on a separate page attached to the manuscript.

3. Answers must be in the hands of the Investment Contest Editor, The Financial Post, 481 University Ave., Toronto, Ont., on or before November 1, 1939.

4. The contest is open to anyone who is not an employee of The Financial Post or The MacLean Publishing Co. Ltd., whether a subscriber to The Financial Post or not.

5. Only one answer will be accepted from each contestant.

6. Any manuscript submitted will become the property of The Financial Post and may be published by it. No manuscripts will be returned. Any selected for publication will be published under the name of the author.

7. Judges for the contest will be the editors of The Financial Post, assisted by such outside authorities as they may desire to consult.

8. The Financial Post assumes no responsibility for the future performance of the investments selected by contestants.

9. In the event of any dispute or misunderstanding the decision of the editor of The Financial Post will be final.

THE FINANCIAL POST
481 UNIVERSITY AVENUE - TORONTO 2

Significant Investors' Index Numbers

1926 = 100

No. of Securities	Mach. and equip. 8	Pulp and paper 7	Milling 3	Oils 4	Textiles and clothing 10	Food and allied prod. 12	Beverages 7	Bldg. mater. 15	Power and traction 15	Banks 8	Total utilities 19	Total co's. 95
1929-38:*												
High	432.5	113.4	273.4	423.5	113.5	197.8	204.6	281.1	197.6	131.7	166.0	198.3
Low	39.2	3.0	37.7	87.7	30.8	78.8	33.8	44.3	47.1	63.1	36.9	43.3
1939:												
Jan.	129.4	16.9	79.1	173.5	52.9	172.9	126.9	133.3	57.5	85.2	42.7	102.9
Feb.	129.4	16.4	77.6	175.9	54.3	175.3	130.4	133.6	58.2	85.3	42.9	104.1
Mar.	126.6	15.1	79.8	173.9	57.2	172.5	127.6	132.9	62.0	85.1	44.4	103.7
Apr.	111.1	11.5	71.4	162.9	53.1	169.2	116.9	119.3	58.9	83.7	41.9	96.2
May	112.5	12.0	78.9	170.2	55.0	176.3	120.4	124.6	60.8	84.7	43.2	99.2
June	114.2	12.4	77.4	153.2	56.2	179.2	124.7	128.8	60.8	85.0	43.7	97.0
July	118.0	12.7	75.0	154.0	59.8	182.1	124.8	129.5	59.2	85.0	42.7	97.3
Aug.	108.6	11.1	76.0	147.9	60.1	180.5	117.7	121.6	56.8	84.3	40.9	94.2
Weekly Figures:												
Sept. 7 ..	125.5	15.6	92.7	161.6	64.0	179.4	107.7	135.6	53.5	81.1	41.0	102.3
Sept. 14 ..	132.9	18.5	101.4	166.2	71.3	168.2	105.9	146.1	53.5	78.6	41.1	99.9
Sept. 21 ..	133.0	18.9	98.9	165.3	71.4	156.6	108.2	143.7	52.1	72.2	39.7	96.3
Sept. 28 ..	141.3	22.1	104.9	167.1	75.3	174.4	112.2	154.4	54.5	76.3	43.3	100.1

*High and low for year from 1929 to 1938 inclusive are based on weekly figures compiled from figures issued by Dominion Bureau of Statistics.

Toronto Stock Exchange Index

	20 Indus.	20 Golds	10 B.M.	15 W.O.
Oct. 3	119.77	105.19	88.90	34.74
Oct. 2	120.60	104.86	89.33	35.12
Sept. 30	120.96	104.71	89.45	35.18
Sept. 29	119.65	104.63	89.13	34.39
Sept. 28	121.08	105.88	89.98	34.80
Sept. 27	119.92	105.52	89.77	34.55
Month ago ..	118.01	108.56	104.12	29.05
Year ago	119.87	122.26	93.03	31.73
High, 1939 ..	125.92	128.95	104.12	45.00
Low, 1939 ...	97.75	100.35	79.59	21.07

Montreal Stock Exchange Averages

	10 Util.	20 Ind.	30 Cbd.	10 Pprs.	15 Golds
Oct. 3	62.7	85.9	78.2	136.31	92.42
Oct. 2	62.7	87.4	79.2	141.79	92.90
Sept. 30	62.7	87.8	79.4	146.40	91.87
Sept. 29	61.8	85.9	77.9	134.58	94.08
Sept. 28	62.6	87.3	79.0	137.02	94.22
Sept. 27	58.9	86.8	77.5	139.62	93.61
Month ago .	59.4	81.2	74.0	94.70	98.38
Year ago ..	65.5	80.3	75.4	123.20	124.73
High, 1939..	70.1	88.3	79.4	146.40	126.48
Low, 1939 ..	55.9	63.2	62.7	80.78	86.60

Cigarettes in perfect smoking condition . . . every time you open a package of cork-tipped Craven "A"

WILL NOT AFFECT YOUR THROAT

PACKETS 25¢ TINS 70¢

CRAVEN PLAIN —without cork tip— same fine quality as Craven "A".

Carreras Ltd., London, England
150 Years' Reputation for Quality

Classified Advertisements

Classified ads. cost 4c. per word and figure for each insertion. Minimum ad., $1.75. Three insertions for the price of two. Add five words when box number is required. Classified ads. payable in advance.

LINES WANTED

EXPERIENCED TRAVELLER WOULD like to hear from firms needing commission representative Fort William to Vancouver or across Canada. Lines advertised herein or kindred lines considered. Box 195, The Financial Post, Toronto.

Position Wanted

ACCOUNTANT - SECRETARY. UNIVERSITY graduate, age twenty-three. One year excellent experience in cost accounting. Present studies accountancy through correspondence. Unemployed due to tariff change. Accurate typist, good athlete, excellent references, fine command of English. Would you kindly investigate? Box 193, The Financial Post, Toronto.

Position Wanted

CERTIFIED GENERAL ACCOUNTANT thirteen years in manufacturing, wholesale and retail trade, qualified and able to take charge of office routine, seeks position with larger organization in Eastern Canada that will, as applicant qualifies, lead to advancement and responsibility. Future prospects more important than immediate increased remuneration Excellent references from present employer and well-known business men. Box 186, The Financial Post, Toronto.

City of Drummondville Withdraws Bond Issue

From Our Own Correspondent

MONTREAL.—The City of Drummondville has withdrawn its $106,000 bond issue on which tenders were recently sought.

Decision of the city council to withdraw the issue results from the disturbed international situation. It expects the bond market will be more receptive at a later date.

Prospectus of Canadian Investment Fund, Ltd., obtainable from your own investment dealer.

CALVIN BULLOCK, LTD.

Greenshields & Co

Members Montreal Stock Exchange
Montreal Curb Market

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TORONTO OTTAWA QUEBEC SHERBROOKE

Bond Markets

Two Pay Bonds Prove Costly To Governments

Discount on Canadian Dollar Means Unnecessary Expense to Authorities Who Floated Loans in the U. S. Market

In recent years some Canadian governments have found it advantageous to float loans in New York, despite the fact that experiences of the past have often proved the practice unsound.

With the present discount on the Canadian dollar in relation to the U. S., it appears that those governments faced with meeting obligations in New York will have to pay many millions of dollars in additional charges. Nor is it at all certain how long this heavy expense will continue.

The Financial Post has often expressed its opinion in this column and elsewhere on the fallacy of taking advantage of minor savings by selling obligations in the U. S., and incurring the risk inherent in obligations payable in a foreign currency.

* * *

Large External Loans

Large amounts of Canadian bonds payable in U. S. funds have been refunded in recent years, but there still remains a substantial amount of the obligations of the Dominion, provinces and municipalities payable in U. S. funds.

In some cases the increased cost of servicing U. S. debts is offset by the premium at which the Canadian dollar is placed in relation to the pound sterling.

In the July Bank of Canada Statistical Summary, Dominion and provincial direct and guaranteed issues, and where payable, are listed. The tabulation shows debt payable as follows:

Gross Debt at June 30, 1939
(In $ 000,000)

	N.Y.	Can. or N.Y.	Can., N.Y. or Lond.	Lond.
Dom.	469.0	.7	28.6	406.2
C.N.R.	38.0	77.7	401.6	395.7
N. S.	....	40.6	....	5.7
N. B.	.5	33.5	....	7.4
Quebec	....	39.0	16.8	10.5
Ont.	8.6	56.7	240.6	5.9
Man.	.4	39.9	3.5	19.3
Sask.	....	48.3	4.7	10.9
Alta.	....	65.5	19.9	19.3
B. C.	....	69.5	5.2	47.0
	516.6	471.4	721.0	927.9

* * *

Fluctuations Expensive

From this tabulation it is clear that a discount of 10% on the Canadian dollar is going to prove a very expensive proposition for governments with debt payable in New York.

There will be $516.6 millions of gross Dominion and provincial direct and guaranteed debt payable in U. S. funds. There was $471.4 millions payable in Canadian or U. S. funds at the option of the holder, and $927.9 millions in London. This is in addition to $3,672.2 millions payable in Canada only, but this debt will not be affected by currency fluctuations.

Total debt of these governments is placed by the Bank of Canada at $6,309.1 millions. There is $2,636.9 millions of debt on which interest may be paid on another currency besides Canadian.

In 1937 Canadian interest payments in the U. S. totalled $94.3 millions, according to Dominion Bureau of Statistics estimates. In the United Kingdom it was $55 millions. The roughest estimates on the present discount of the Canadian dollar and its premium in relation to the pound sterling would indicate that Canadian governments will lose many millions of dollars on U. S. payable obligations. The United Kingdom issues will do little to offset this disadvantage.

* * *

Provinces Suffer

Three provinces, Quebec, New Brunswick and British Columbia, have within recent months floated loans in New York.

In June of the current year, New Brunswick sold $9¼ millions of bonds, with interest payable at the holder's option in either U. S. or Canadian funds. On the basis of a 10% discount on the Canadian dollar, the province will have to pay $30,250 additional interest annually.

In September, 1937, New Brunswick sold a $3¼ millions issue to a group of U. S. insurance companies. In the current year another $1¼ million issue was placed privately.

British Columbia is severely hit by the unfavorable position of the Canadian dollar, because a large portion of its funded debt is payable in New York.

* * *

Quebec Finances Heavily

This summer, within two months, B. C. arranged financing to a syndicate, of which Saunders, Ashplant & Co., New York, was a member. Both issues were payable in Canadian and U. S. funds. There were $4 millions of 3¼% bonds, due Dec. 15, 1944, and $3 millions of 3½% 5-year bonds.

Quebec sold $30 millions of bonds in August in the United States, on which interest is payable at the holder's option in U. S. or Canadian money.

All these flotations will prove costly and stress again the desirability of making commitments in a currency that is likely to leap to a premium.

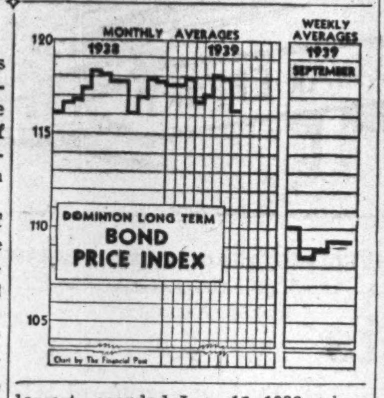
* * *

Treasury Bills

Rising cost of money to the Dominion Government is reflected in the sharply increased yield on its 90-day treasury bills.

In the $25 millions issue dated Sept. 29, yield jumped to 0.925%, the highest point reached since April 1, 1936, when the yield on another $25 millions sale was 0.927%.

The yield is still far from the highest point, but it is nearly double the lowest recorded June 15, 1938, when yield was 0.465%.



* * *

Municipal Refundings

A spurt in activity has occurred in refunding operations of defaulting Ontario municipalities in recent weeks. Recently the Ontario Municipal Department announced the completion of plans for three defaulted debenture debts of long standing. The three are: Fort Erie, Penetanguishene, and Thorold. Another municipality, the Village of Long Branch, has emerged from the list of defaulting municipalities. York Township is negotiating with debenture holders.

The Ontario Legislature wisely conferred upon the municipality the privilege of making debentures callable, thus ensuring that they will not pay more than the situation demands in interest charges.

At the moment it looks as though this provision will not benefit municipalities for a long time. Interest rates are rising, and the rush of municipalities to refund defaulted debenture debt appears timely. Perhaps, in a few months time, municipalities will not be able to refund on a 4½% basis. It may prove a far-sighted precaution.

* * *

Financial Statistics

Understandable and concise presentations of financial statistics of the Dominion, provincial and municipal governments are always welcomed by investors.

Wood, Gundy & Co.'s new booklet on government statistics will be a ready reference on the financial affairs of governments. In this booklet are comparisons of 10 years of operating comparisons of Dominion, provinces and 10 leading Canadian cities. A map of Canada is included, along with tables and charts to illustrate comparative positions of the provinces and cities.

* * *

High Grades Firm

Prices of high-grade bonds on the Canadian market have been creeping steadily forward since exchange restrictions went into force. Supply of desirable bonds is small and institutions are forced to place their funds in obligations sold in Canada. The result is that all high grades have been edging forward.

Canadian issues on the New York market strengthened, after showing marked weakness. This strength was due to assurances that all Canadian obligations payable in U. S. funds would be met faithfully, and that the exchange regulations would not in any way affect U. S. holders of Canadian bonds.

Better grade bonds made substantial gains during the week. Here again the improvement in price may be attributed to the small supply and accelerated demand.

* * *

Bond Index

DOMINION OF CANADA
Long-term Bond Index

	Latest week Sept. 22-28	Preceding week Sept. 15-21	Weekly average year ago
Price	109.5	109.0	114.3
Yield	76.1	77.4	68.2

Bond Sales

Treasury Bills

Yield on Dominion treasury bills continued to move upward with the most recent sale. Average price of accepted bids on the $25 millions issue, dated Sept. 29, and maturing Dec. 29, was 99.76995 and the yield was 0.925%.

This compares with an average discount price on accepted bids of 99.78945 on a similar issue sold Sept. 15. Yield on this sale was 0.846%.

Yield on the most recent treasury bills issue was the highest since that on $25 millions sold Apr. 1, 1936. Average yield on accepted bids was 0.927%.

Bond Redemptions

Bond Issues:	Rate	Year	Due	Price
Robt. Simpson	*5%	1952	Jan. 1 '40	105
Can. Cement	†3%	1940	Nov. 1	101
St. Mary's Cement	*6%	1942	Nov. 1	101½
Riordon Pulp	*6%	1942	Dec. 31	105

*All outstanding balance. For sinking fund purposes. †$750,000. *$86,300.

Groups Get New Plans For Abitibi

Proposals Allow 40 Preferred Shares Per $1,000 Bond

NEED EARNINGS GAIN

Detailed plan of reorganization of Abitibi Power & Paper Co. sponsored by the Bradshaw-Ferguson-Scott committee, has now been in the hands of all interested committees for several days. Replies supporting the plan as now outlined have been received from chairmen of all committees except the bondholders' protective committee of which H. J. Symington, K.C., Montreal, is chairman.

Although no official word has been received from the Symington committee, it is thought they will find little to favor in the latest proposals. It is suggested that to give bondholders any chance of getting their investment back would need a period of unparalleled profits. There is quite a possibility that no action will be taken and Abitibi will continue for a further period in receivership.

Distribution of securities under the latest plan is along the lines forecast in The Financial Post two weeks ago. As finally accepted by the committees representing preferred and common shares and the general creditors, the new securities would be distributed as follows:

1. For each $1,000 bond, plus accrued and unpaid interest, the holder would get 40 shares of $25 par value, cumulative, convertible preferred stock. The new preferred would carry a cumulative dividend of $1.85 a share and would be redeemable at $37 a share. Each new preferred share would be convertible into common at the rate of two common shares for each preferred share. Preferred shareholders, who would be the present bondholders, would have the right to elect a majority of the directors of the company.
2. For each existing share of 7% preferred, the holder would get 12 new common shares.
3. For each existing 6% preferred share, the holder would get four new common shares.
4. Each existing common share would be converted into 1/10th share of new common.
5. Unsecured creditors would accept some reduction in their claims and the balance, probably 75% of the face amount, would be paid in cash over a three-year period.

Stock Capital

If this proposal is accepted it would leave Abitibi with the following capitalization outstanding:

Proposed Capitalization

	To Be Outstanding
Cum., conv. pref., $25 par	$48,267,000 (1,930,680 shs.)
Common, n.p.v.	1,624,084 shs.

The basis of division proposed for the common stock is the same as that contained in the reorganization plan presented last spring by the bondholders' protective committee for the stock purchase warrants that were to go to equity holders and creditors. The new common shares under the latest proposals would be distributed as follows:

Distribution of Common

	No. of Shares
7% preferred	120,000
6% preferred	1,395,272
Common	108,812
	1,624,084

Working Capital Adequate

No provision has been made for raising any working capital for Abitibi under the plan. Spokesmen for interests that have studied the plan point out that Abitibi's needs for additional working capital by the end of this year will have been so greatly reduced that little more money, if any, will be required. At the end of 1938, Abitibi reported net working capital of $7.3 millions. Current assets of $5.4 millions included $4 millions of receiver's certificates which are scheduled to be practically paid off from earnings by the end of 1939.

Payment of creditors claims in cash over a three-year period would not require more than $200,000 or $300,000 per year, assuming that these claims are for the $750,000 shown on the last balance sheet.

Estimates of Abitibi's new capital requirements have been coming down ever since the first figures were published in 1937. The first bondholders' protective committee plan—the Ripley plan—at first provided for raising $14 millions of new money. This was later revised down by an amount equal to the consolidated net earnings of the company from June 30, 1937, to the date the plan might become effective. By the time that the bondholders presented their proposals for judicial sale last March, their ideas of new capital required for working capital purposes were down to $2 millions.

Now it is estimated that Abitibi's working capital by the end of 1939 may be as high as $10 millions which is thought by equity interests to be adequate for needs. Any temporary accommodation might be arranged through bank loans.

Plan Needs Earnings Boost

Assuming that this latest plan were to be carried out, bondholders would receive annual income of $74 on the 40 shares of new preferred they would get for each $1,000 bond. This would be approximately equivalent to a 5% return on the original principal, plus interest on unpaid interest.

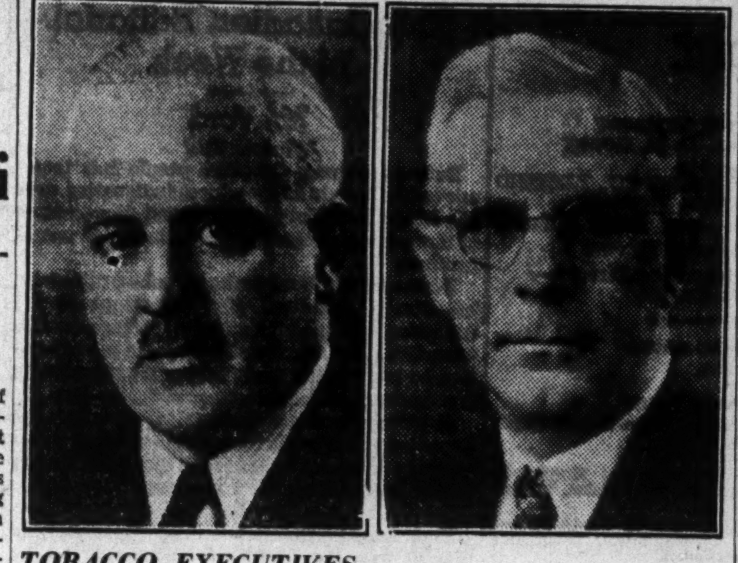
It is suggested that bondholders' prior claim on assets and earnings would be maintained through the provision for a callable feature at $37 a share. This would approximate the present principal plus interest. This is also a provision to avoid necessity of income tax payments on securities received by bondholders.

Payment of the annual cumulative dividend of $1.85 a share on the proposed new preferred stock would require $3,571,758. Ability to maintain regular payments at this rate appears to require a considerable improvement in earnings over any recent period. Even in 1937, a year of considerable activity for newsprint companies, Abitibi only had $3.1 millions available after expenses and depreciation. Last year the company had a little less than $1.2 million available while 1939 looks as though it will not much more than reach the 1938 level.

To give enough profits to leave $1 a share available for the proposed common stock would require an additional $1,624,084, or $5.2 millions altogether. Chances of reaching such a level of earnings, and maintaining them over any considerable period are none too great, judged from past performances.

If this latest plan receives sufficient approval from bondholders to make its acceptance possible, it is proposed to use the machinery provided by the Companies Creditors Arrangement Act to carry out the scheme. Apparently nothing further will be done until some expression of opinion is received from bondholders and it is pointed out that the plan is subject to amendment to make it acceptable.

It would be necessary to appear before the courts to get a court order to hold meetings of various interested security holders. It appears that it would not be necessary to form a new company but that the present company would carry on with a changed capital. Thomas Bradshaw, one of the originators of the scheme, estimates that it would be possible to have Abitibi out of receivership inside of two months provided full co-operation of all interested parties were obtained.



TOBACCO EXECUTIVES

F. P. L. Lane (left) and A. B. Bradsher, who have been elected vice-presidents of the Imperial Tobacco Co. of Canada. For a number of years Mr. Lane has been secretary-treasurer of the company and Mr. Bradsher has been in charge of leaf operations.

Contract Reverts To Great Lakes

Company's Own Plants Will Supply Milwaukee Journal

Great Lakes Paper Co.'s own plants will supply newsprint under the contract with the Milwaukee Journal, obtained by the company when the former contract with Abitibi Power & Paper Co. expired at the end of 1938, The Financial Post is informed. This contract, originally estimated to require around 20,000 tons of newsprint for this year but now understood to be requiring closer to 30,000 tons, was reallocated by Great Lakes as a part of its programme of assisting in levelling out production schedules throughout the Canadian newsprint industry.

Great Lakes is continuing to make some concessions to assist in giving regular operations to less well placed newsprint mills. In spite of this the company has been able to fulfill most of its contracts.

Operations Improve

At present Great Lakes Paper Co. is experiencing a considerable step up in demand. It is thought that, providing present prospects for better scale operations next year are realized, pro-rating may not be such an issue in the industry as it has been this year.

Operations of Great Lakes Paper for the year until recently have averaged around 65% of capacity, but improvement is now anticipated.

There has been no consideration given to the question of paying a dividend on the company's preference stocks as yet nor is it likely that the question will come up in the near future, The Financial Post is told. No dividends have been paid on either the classes A or B preference since issued in 1936. Arrears mounted to $8 a share on each class of stock on Oct. 1 of this year.

Export Gain Seen By Page-Hersey

New Buttweld Tube Plant Is Almost Ready to Operate

Export business of Page-Hersey Tubes Ltd. is expected to increase over the balance of the year, according to C. L. Dunbar, president. The new continuous tube mill is expected to be in operation in the very near future.

Mr. Dunbar points out that the outbreak of war finds the company's plants in excellent shape and in a position to produce substantially larger tonnages of tubular and other products than under peace-time conditions. The additional buttweld pipe capacity given by the new plant should be an important factor in improving the company's ability to produce whatever is required in its line.

Last year, Page-Hersey earned $4.23 a share on its common stock, down substantially from the 1937 results of $5.92 a share.

MARITIME PHONE TRAFFIC

From Our Own Correspondent

MONTREAL.—Toll traffic handled by Maritime Telegraph and Telephone Co. during August totalled 142,377 calls, an increase of 619 over the same month last year.

B.A. Oil Sales Show Increase

Company on Way to Sixth Consecutive Sales Record

British American Oil Co. reports that sales of gasoline and all products for the first nine months of this year exceeded those for the like period of 1938. Regarding the outlook, J. C. Millar, treasurer, has the following to say: "Undoubtedly, we can expect a large increase in the consumption of petroleum products due to conditions arising out of the war."

In 1938 B. A. Oil Co. reported total volume of sales increased 15% over 1937, establishing a new high record for the fifth consecutive year. Judged from the official indication of results for the first three quarters of 1939, the company is well on its way toward its sixth consecutive record sales volume.

Just recently an increase of one cent a gallon was announced in prices of gasoline with similar changes made in a number of other products because of high costs as a result of wartime conditions. This, however, is not expected to add anything to earnings because it is said that the rise so far made does not compensate for the higher costs already experienced. Thus, it may be questioned whether or not earnings from Canadian operations in 1939 will be much more than the $1.14 a share reported in 1938.

$300,000 Issue Of P.E.I. is Sold

First Public Offering of a Province Since Outbreak of War

Midland Securities Corp. and Dyment Anderson & Co. have sold $300,000 of 3% seven-year bonds of Prince Edward Island. The bonds were offered at par and were dated Oct. 1, 1939.

Purpose of the issue to repay short-term indebtedness for highway expenditures. Part of the issue was firmly underwritten, and another portion was taken up on an option basis. Private and institutional buyers subscribed to the issue.

The Prince Edward Island loan marks the first time that a province has obtained funds publicly since the outbreak of war.

The previous issue sold by the province was taken up by R. A. Daly & Co., Toronto. Twelve-year 3% bonds were taken up on an option basis of 98.07. This represents a cost basis to the province of approximately 3.20%. Cost to the province of the present issue has not been revealed.

Additional funds may be required by the province in the current year. Capital expenditures this year were estimated at over $1 million and deficit on ordinary account at $107,000.

Foreign Exchange

During the week Sept. 26 to Oct. 2, there was no change in the quotation of the United States dollar at Toronto and Montreal, which was $1.10 for buying and $1.11 for selling. The sterling rate likewise was unchanged at $4.43 buying and $4.47 selling. The rate is published daily by the Foreign Exchange Control Board.

Other Currencies, Oct. 2

Belgium	.1873	Italy	.0561
France	.05321	Norway	.2525
Holland	.5913	Sweden	.2647
Hungary	.2109		

Dairy Corp. Plan Approved

Debenture Holders to Receive Preference and Common

Dairy Corp. bondholders and shareholders have approved a plan of re-organization.

New capitalization will consist of 5% first preference redeemable shares, of $50 par value, to an aggregate amount not exceeding $357,800, and 100,000 no par common shares. Of the 100,000 common shares authorized, 84,405 shares will be issued, 71,560 to debenture holders and 12,845 to class A and class B shareholders.

For each $100 of debentures, holders will receive:

1. $50 par value of 5% preferred stock.
2. 10 shares of new common.

The A and B stockholders will receive one share of new common for each 10 shares of existing stock.

Holders of debentures, aggregating $342,300, approved the plan eliminating debentures.

Preference Provisions

The preference shares will receive dividends to the extent earned up to 5%, to Oct. 1, 1944. Dividends earned and unpaid to this date become cumulative.

Dividends at 5% are cumulative from Oct. 1, 1944, plus an amount equal to one-fifth surplus profits accrued and owing to Oct. 1, 1944.

Preference shareholders are not entitled to vote, unless the corporation passes two half-yearly dividends after Oct. 1, 1944, or fails to pay two half-yearly payments of the one-fifth of surplus profits accumulating. The preference shareholders in either of these events will be entitled to elect a board of directors from themselves.

In the event of voluntary liquidation, preference shareholders are to receive par value for their shares, plus accrued dividends.

Commencing Oct. 1, 1945, the company is to redeem annually $17,500 par value of preference shares. Shares may be purchased in the open market at any price not above par.

Dominion Square Corp. Elects New Officers

From Our Own Correspondent

MONTREAL. — Andrew Fleming has been elected president of the Dominion Square Corp.

Arthur H. Campbell is vice-president and other members of the new board are: Donald I. McLeod, Frank L. Whitaker and E. Wallace Willard.

Northern Ontario Bldg. Bond Maturity Passed

W. D. Ross, president, announces Northern Ontario Building Ltd. is unable to meet maturity of its 6½% first mortgage bonds, which fell due Oct. 1. There were $643,500 of the bonds outstanding at Dec. 31, 1938.

A meeting of bondholders will be called shortly to consider a plan extending time for payment and modifying provisions of the trust deed, Mr. Ross states.

SUCCESSION DUTIES ACT . . . ONTARIO 1939

The provisions of the new Succession Duties Act (Ontario 1939) might possibly make it advisable to change the terms of your Will . . . Our Trust Officers will gladly advise you without obligation in any matters which may give you cause for doubt.

CHARTERED TRUST AND EXECUTOR COMPANY
34 KING ST. WEST — TORONTO
132 ST. JAMES ST. WEST — MONTREAL

BURNS & CO. Securities
Bought and Sold
A. J. PATTISON JR. & CO.
EL. 5101 ROYAL BANK TORONTO

May Now Issue Callable Bonds

Ontario Legislature Foresees Higher Interest Rates

Ontario municipalities will be permitted to issue callable debentures in the future, because of legislation passed at the recent session of the Legislature.

Foreseeing increased interest rates in the future, the Ontario Municipal Department has incorporated a new subsection into the Municipal Act to allow municipalities to redeem all or a portion of debentures they issue at their own option before maturity, regardless of the length of maturity. This will enable municipalities to refund their obligations at a later date, when the rate is lower than it is expected to be under wartime conditions.

Control Patriotic Grants

It is also provided under the new subsections of the Act that the Municipal Department must approve patriotic grants. Approval also must be received from the new Organization of Resources Committee. Assistance to patriotic organizations is also limited to those registered with the Secretary of State, Ottawa, under the War Charities Act, 1939, (Canada), and to rifle associations and military bands.

THE DOMINION LIFE ASSURANCE COMPANY

"There's an old man coming to your house," as sure as you live! Protect him with a Life Insurance Income.

ESTABLISHED 1889 — HEAD OFFICE — WATERLOO ONTARIO

QUARTERLY QUOTATIONS

—An Index to Bond Values

The October issue of our "Quarterly Quotations" shows important changes in bond prices. A copy of this timely publication will be gladly mailed upon request.

W. C. Pitfield & Company
Limited
235 St. James Street MONTREAL
80 King St. West TORONTO

Sale by Tender

TORONTO LOCK MANUFACTURING CO.

A modern, fully equipped lock manufacturing plant located at Patterson Place, City of Toronto, capable of being utilized for other manufacturing purposes. Extensive equipment includes several large and small turret lathes, presses, drills, compressor, complete electro-plating plant, tumbling barrels, planes, polishing machinery, dies, patterns, etc.

Sealed tenders marked "Toronto Lock Manufacturing Tender" will be received by the undersigned Trustee up until 11 a.m. on the 23rd day of October for the whole property, undertaking and assets of the above mentioned company, such tenders to be sub-divided under the following headings:

(A) raw materials and goods in process, as is.
(B) finished goods, as is.
(C) plant and equipment, as is.

Separate tenders will also be received by the undersigned Trustee up until the same time limit for the purchase of any one of the parcels described above as A, B and C. Tenders must be accompanied by marked cheque or cash for 10% of purchase price, the balance to be paid in cash on closing. The Trustee reserves the right to reject any or all tenders. Lease or purchase of premises can be arranged with the Trustee.

Inspection of inventory and plant may be arranged with either the Toronto or Windsor Office of the undersigned.

Guaranty Trust Company
of Canada
TORONTO WINDSOR

Weekly Record of Financing in Canada

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

	Date Issued	Sold to	Rate	Due	Amount	Price	Yield
Municipal—	Date Issued						
Dominion—	Date Issued						
Canada Treasury Bills	Sept.	...	...	Dec. 29 '39	$25,000,000	99.769	.925%
Provincial—							
Prince Edward Island	Sept.	Dyment, Anderson & Co., and Midland Securities	4%	7-yr.	$300,000	*100	....

*Offering price. Part of the issue purchased by underwriters and part taken on option basis.

The Financial Post

Member Audit Bureau of Circulations

A weekly newspaper, presenting in a popular manner, reliable information respecting investments, business and national affairs in Canada.

The Financial Post has the largest paid circulation of all Canadian financial papers.

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GREAT BRITAIN, London—Sun of Canada Bldg., 2, 3 and 4 Cockspur St., London, S.W.1, Telegraphic Address, Atabek, Lesquare, London.

TORONTO, OCTOBER 7, 1939

The Financial Post Editorial Platform for Canada

Winning the war has become the focal point for national and personal effort in Canada. This requires full mobilization of the nation's material and spiritual resources. To the fullest degree this should be obtained by individual effort, freely made. Strong national leadership will inspire service and sacrifice that will reduce the need for regimentation and compulsion.

The Financial Post believes such objectives require:

1. *Strengthening cabinet leadership by drawing upon Canada's best executive brainpower irrespective of political considerations.*
2. *Elimination of public and private waste.*
3. *Pay-as-we-go financial policy.*
4. *Planning the war effort with the post-war as well as the emergency needs in mind.*

In achieving these objectives the spirit of sacrifice and unity in Canada can be used in finding sound, long-term solutions to problems left unsolved in the idle days of peace.

Leadership By Inspiration

FOR four weeks, Canada has been turning from pursuits of peace to preparation for war. Along a national front, plant and personnel are being made ready. Wartime regulations and controls have been wheeled into action.

So far, our war effort has been free from hysteria and jingoism. But it has also lacked leadership by inspiration. We have had no mass meetings, few appeals to national service and sacrifice. Little is being told us about the war and few efforts made to stimulate our interest and enthusiasm. Even the skirl of pipe and beat of drum come but seldom to quicken heartbeats

In short, our first four weeks of war preparation have been grim, calculating, realistic. We are like runners preparing for a long gruelling race.

* * *

But if the morale and determination of eleven million Canadians is to be maintained, leadership by inspiration is necessary.

Canadians are asking themselves why we are in this war and what our objectives are? They raise these questions not in a mood of discontent but because they would like the nation's leaders to put our war aims in specific language.

Mr. King and Mr. Lapointe did it in Parliament in soul stirring words. But that was weeks ago. Our war aims need to be repeated every day and in every possible way.

Situated several thousand miles from Europe and adjacent to a country seething with isolationist propaganda, it is terribly important that the Prime Minister and other national leaders, under his direction, should keep Canadians informed of the nature of our cause and the need for common effort and sacrifice by all classes of people.

In Britain, situated though she is at the very rim of battle, Parliament is being used as a sounding board for stimulating enthusiasm and keeping the country informed. In addition, Empire broadcasts such as the one given on Sunday by Winston Churchill are doing a splendid job in maintaining democratic morale.

* * *

The onerous duties of directing a war cabinet would be made less burdensome if Canada's Prime Minister were to plan at once to unify and strengthen Canada's war effort by a well-directed programme of inspirational leadership.

The forthcoming Thanksgiving week-end would be a good starting point for such a programme. It would hearten all Canadians to have their Prime Minister remind them on October 9, of the many things for which we in this country may still be thankful; of the high purpose and deep meaning of the present conflict.

Business and War

FOR the first four weeks of its life, the second World War has been strangely unreal. Perhaps by the time this appears in print, death and destruction will have broken loose on the western front and over European capitals. But when an American correspondent visited the so-called scene of battle recently he found an air of strange unreality about the whole situation. People were carrying on the ordinary occupations of life within range of enemy artillery. Women wheeled their babies in the streets without fear. "It is only in Paris that people get nervous," they reported.

Two explanations are offered.

Germany has been concentrating all her effort on crushing Poland, apparently figuring that once that country was obliterated it might be possible to avoid war or at least put the blame on the Allies if a general European war then resulted.

The other side of the picture is that the Allies have decided this is to be a long war—a war of attrition. In such a war the side that wins will be the side that can keep on going when the other side is flat on its back. To win such a war it will be necessary to carry on business as normally as possible, avoid costly spectacular offensive action.

Until we get a clearer picture of just what sort of war this present conflict is going to be (some strategists suggest it may be a long-drawn-out series of battles something like the Wars of the Roses which lasted 35 years) the Government is doing the only proper thing in organizing on the basis of a long conflict. To treat this war on the basis of what has been happening on the western front in recent weeks, or to plan on peace coming quickly would be a fatal error.

On the other hand business firms should not involve themselves too readily in capital commitments that would be justified only by a long war.

Undoubtedly hundreds of firms in Canada will have to expand and expand immediately to meet wartime demands. Very wisely the Government has allowed them to set up depreciation and other reserves in a way that will permit writing off these investments very quickly. The mistake of living off war profits rather than making provision at once for the inevitable collapse and readjustment of post-war business would be short-sighted and unrealistic.

The wise and proper course for business is one of caution, as to the probable length of the war and in treatment of any inflationary profits that accrue from participation therein.

Senator Hanno Speaks

A STUDENT of classical history has written to the New York Herald-Tribune to recall the words of "an eminent statesman" on a subject very similar to the recent "peace" negotiations of Herr Hitler, now that he has concluded his temporary subjugation of Poland.

The quotation is as follows:

"My regrets regarding this unfortunate war are still with me, and I will only consent to praise and applaud your invincible general when I see that this war has been terminated on honorable terms. To be sure, the brilliant successes which gladden your hearts give me great joy, because these victories, if we use them wisely, will allow us to conclude an advantageous peace.

"But if we allow this moment, when we can appear to give rather than to accept peace, to pass, I fear that the effects of these stunning blows will vanish into thin air. And if fate keeps serious reverses in store for us, I quake to think of the peace terms that will be forced on us, the vanquished, by an enemy possessed of the courage to refuse terms to its victors."

The eminent statesman who made this speech was Senator Hanno. He was speaking to the Carthaginian Senate around 215 B.C.

Hanno was urging that his fellow-countrymen make a peace which, obviously they were unwilling to consider. Herr Hitler, on the contrary, would gladly make a peace if he could get anyone to consider peace on his terms. What burglar isn't ready to cry "pax" to the policeman if he thinks he can keep his loot.

But Senator Hanno rightly prophesied the predicament of his own and the Nazi regime when he "quaked at the thought" of peace terms which would be inflicted once the tables were turned, and by an "enemy possessed of the courage to refuse terms to the victors."

Our Cards Are on the Table

FROM the Vancouver Sun came recently a column-long editorial attempting to explain away some of the "strange things" which have been happening of late in the political and economic life of the province.

Says the Sun:

"The Financial Post, of Toronto, which never has understood British Columbia, nor wanted to, publishes a sensational article to show that 'strange things' have been happening out here which very likely will lead to socialism and disaster."

The Post article was far from sensational either in form or content. It was written by Charles L. Shaw, a well-known, well-informed British Columbia newspaperman and author and signed with his name.

The writer of the article is perhaps the best-known feature writer in the province. He has been a correspondent of this paper in British Columbia for over 20 years. He is a man who has occupied the highest responsibilities in journalism in the province.

To suggest that such a man "never has understood British Columbia" has its comic aspects.

Technicians' War

IN GREAT BRITAIN recognized technical journals play a vital part in supplying manufacturers with authentic information concerning armament production. Until recently there has been a short-sighted unwillingness to permit publication of this type of material in Canada.

For September, Canadian Machinery and Manufacturing News carries on the leadership it gave during the last war by publication of a munitions and aircraft issue. It contains much valuable data of interest to all technicians and firms who may now or in the future be concerned with manufacture of war supplies.

This war will be won as much in the tool shops and the manufacturing plants of Canada as anywhere else. These include the plants which will make possible realization of what Hon. Winston Churchill had in mind last Sunday when he referred to "the immense resources of Canada and the New World — as a decisive ultimate air factor beyond the reach of what we have to give and take over here."

The Canadian Editorial of the Week

Mr. Ford

Windsor Star

Before too many Canadian people lash themselves into a state of speechless indignation over Mr. Henry Ford, let's sit down and discuss some of the views expressed by the automotive manufacturer.

Whenever Mr. Ford makes a public utterance, he attracts attention. His appearance at the American Legion convention in Chicago was no exception. And, Mr. Ford lived up to the reputation he has already made that as a statesmen he is a crackerjack manufacturer of motor cars.

However, there are some points on which the Canadian and other British people can find themselves in entire agreement with Mr. Ford. Let us take a look at them for a moment.

* * *

Expressing his opinion on the root cause of the present war, Mr. Ford explained that it can be traced to about 25 people and propaganda.

Right there the motor magnate is talking straight down Prime Minister Chamberlain's alley. The British campaign is not against Germany, but against Hitlerism. The British are dropping pamphlets, instead of bombs on German communities. These inform the people of Germany that if the citizens drive out Hitler and the other Nazi leaders, then the British are ready to make peace with representatives of the moderate elements in the Reich.

* * *

Most people will go that far with Mr. Ford. And when he says that Canada has nothing to gain by going to war, they will be inclined to agree. Canadians didn't want this war. They would prefer to live at peace. Every Canadian citizen is just as anxious to keep out of war as Mr. Ford.

But, the war was forced on us by Hitler. And, that being the case, we have to defend our country. That we intend to do.

When Mr. Ford exclaims that Canada would be better off by joining the United States, we hope he was only giving voice to some passing thought that swept through his mind. We trust that Mr. Ford was not following the Hitler plan of absorption. The Nazi chief thought the Saar would be better off by being with Germany; then, he thought Austria would be better off by letting Germany swallow it; later, Hitler decided it would be better if Czecho-Slovakia became a part of the Reich; and, the latest Hitlerian move came when he believed that Poland should improve herself by becoming part of Germany.

We don't think Mr. Ford has any plans by which he would march into Canada, like Hitler marched into the Saar, Austria, Czecho-Slovakia and Poland. But, few will miss the parallel between Mr. Ford's expressed thoughts about Canada, and the voiced opinions of Hitler about European countries.

* * *

When it comes to foreign trade, Mr. Ford's sentiments in Chicago hardly hold water in view of the splendid efficiency of the Ford overseas expansion.

When British airmen take to the clouds to defend London and England from raiding German aviators, they are protecting the fine Ford works at Dagenham, which is frequently held up as an example of what an efficient motor car plant should be. We don't imagine for one moment that Mr. Ford would like to see Nazi bombs dropping all over his Dagenham factories.

Neither do we believe that Mr. Ford would relish Nazi bombs on Ford plants in any other part of the world. And, we in Canada certainly would hate to have German aviators drop bombs on the Ford plant in Windsor, or the Ford plants in any other city of Canada, or in any of the British Dominions, where Ford factories play such an important part in the national economy of those units of the British Commonwealth of Nations.

* * *

There is another interesting point that comes when discussing Canada being with the British Empire, instead of in the United States. Mr. Ford says that the only thing he is a member of is the institute of marriage. He explains that he has been married for 53 years.

Well, Canada belongs to the British Commonwealth of Nations through the institution of Empire marriage. Those bonds of international and inter-Empire marriage were tied away back in 1759. So, our marriage to the British Empire has endured 127 years longer than has Mr. Ford's. And, we are sure his has been a happy marriage, even as happy as Canada's married life within the British Empire.

* * *

We Canadians can agree partly with Mr. Ford. And, we believe he has a perfect right to his opinions. It is interesting to hear what he has to say.

As a maker of motor cars, Mr. Ford leads the world parade.

In his international ideas, we are not sure whether Mr. Ford has been listening too much to Father Coughlin, or whether Father Coughlin has been listening too much to Mr. Ford.

Editorials in Brief

"Bismuth as usual during altercations." *Sign on a pharmacist's shop in England.*

* * *

Highway construction in Quebec is reported to be terminating on October 28. The date of the provincial election is October 25.

* * *

The price of castor oil is reported to have risen 15 to 20% and may go higher.

There will be few children to complain to the Wartime Trade and Prices Board about that.

* * *

An enterprising newspaperman, Charles Graves, special writer of the London Daily Mail, "spotted" a clean-shaven German of athletic build the other day as he was "covering" a beat at the Admiralty in Whitehall.

The German was Captain Franz von Rintelein, who directed German sabotage in the United States in 1915 and who blew up "Black Tom," the Canadian Car and Foundry plant, which has been the subject of so much litigation in recent years.

Since December, 1938, mystery man von Rintelein has been a British subject with a town house in the West End and a villa near Ostend. He maintained that the reason he was visiting Whitehall was that he was ambitious "to form a division of Czechs, Austrians, Poles and other emigrés in England to fight that Hitler."

Sayings of the Week . . .

"Routine is the besetting sin of the modern business world."—*Noel Wilkinson.*

* * *

"National ruins of historic interest are a good investment."—*Sir E. Graham-Little, M.P.*

* * *

"Russia is a riddle wrapped in mystery inside an enigma."—*Rt. Hon. Winston Churchill.*

* * *

"We, French, know from experience that the British keep their word."—*Jean Giradoux.*

* * *

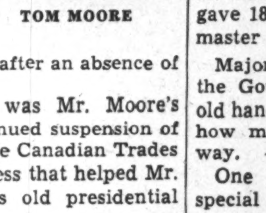
"Mr. Stalin, who was very explicit as to his objection to being made a cat's paw to take our chestnuts off the fire, has no objection whatever to using Herr Hitler as a cat's paw."—***George Bernard Shaw.***

PULLING AGAINST THE STREAM.

Post-Scripts . . . . .

Carpenter Moore

We have no doubt that "Carpenter" Tom Moore will be very happy to be back again in the driver's seat as president of the Trades and Labor Congress of Canada. He defeated John Buckley of Toronto in a straight vote of 212 to 107, on the question of a successor to P. M. (Paddy) Draper who resigned on account of ill-health.



TOM MOORE

We think also that most labor men and employers in Canada will be equally happy to have Mr. Moore with the union reins in his hands once again after an absence of four years.

Apparently it was Mr. Moore's approval of continued suspension of the C.I.O. from the Canadian Trades and Labor Congress that helped Mr. Moore regain his old presidential chair.

* * *

Mr. Moore was a member of the Bennett Social and Employment Insurance Board from 1935 until it was found unconstitutional by the Privy Council. He resigned his Trades and Labor presidency at Mr. Bennett's request to represent labor in that undertaking. His next important public service was vice-chairmanship of the National Employment Commission.

Mr. Moore was a delegate to last week's convention from the Brotherhood of Carpenters, Ottawa. He rose from the position of business agent of the Carpenters' Union at Niagara Falls.

* * *

F. B. McCurdy

Hon. F. B. McCurdy who recently purchased four Maritime utilities from Central State Power and Light Corp. is best known to the Canadian public as a financier, but he is also a publisher and legislator of note. But even though he controls the Halifax Chronicle, he has made it a policy to avoid the public limelight.

Financial McCurdy is a native Maritimer. Most of our financiers seem to come from that part of the country. Born at Old Barns, Colchester County, N.S., he received a public school education and began his business career in Truro with the Halifax Banking Co.

In 1901 he formed his own financial firm of F. B. McCurdy & Co. and was successful in promoting more than one company. From the first he had close connections with a number of enterprises in the West Indies. He is still president of Trinidad Electric Co. and Trinidad Consolidated Telephones Ltd.

* * *

His business connections are wider than indicated by his list of directorships. In addition to the above, he is president of the Eastern Trust Co., The Chronicle Co., and Halifax Fire Insurance Co. He is a director of the Bank of Nova Scotia, the Canadian General Electric Co., and Famous Players Canadian Corp. He is also a governor of Dalhousie University.

He began his political career in 1911 as Conservative member of the House of Commons, representing the Shelburne-Queen's constituency. In 1916 he was appointed parliamentary secretary of the Department of Militia and Defence. Early in 1918 he transferred to the position of parliamentary secretary of the Department of Soldiers' Civil Re-establishment. In 1920 he became Minister of Public Works. He retired from active politics with the defeat of the Meighen Government in 1921

* * *

Voluntary Service

Having followed at firsthand the brilliant work of Dr. E. H. Coleman, under-secretary of state, in his capacity as Chairman of the Inter-Departmental Committee on the Royal Visit, we have no doubt whatever that the Voluntary Service Registration Bureau, which he now heads, will make a splendid contribution toward Canada's war effort.

To Dr. Coleman goes the lion's share of credit for what was, without doubt, the finest example of individual and national co-operative effort this country has ever seen. The fact that our King and Queen travelled thousands of miles, saw and were seen by millions of people, with scarcely a single hitch, is a lasting tribute to the quiet, but calculated efficiency with which Dr. Coleman does anything to which he turns his hand.

* * *

And this new job of providing a clearing house for offers of service from thousands of Canadians who want to do their bit in the war, will bring together at least two other Civil Servants who did a fine job during the Royal Visit.

One of these is J. F. Delaute, who was Dr. Coleman's righthand man on the Royal Train. The other is Major George W. Ross, chief clerk of the Railway Mail Service, who gave 18-hour a day service as Postmaster of the Royal Train.

Major Ross has been 35 years in the Government service. He is an old hand at getting results, no matter how much red tape stands in the way.

One big job in which he takes special pride is the unloading in peacetime of 5,000 to 7,000 bags of mail from the Empress of Britain in five hours—direct to the trains. By reason of this record achievement, Canada invariably gained a substantial amount of international postal business. The comparable time taken to get mail off boats at New York was the best part of a day.

* * *

The Royal Tour was by far the toughest job Major Ross had ever undertaken in his life, but once again he showed his ability to take responsibility and cut through departmental routine in handling hundreds of thousands of letters including highly confidential documents and personal letters for the King and for Canada's Prime Minister.

The King's personal mail, for example, was taken by special messenger direct from the boat as it arrived on Canadian shores. Usually it was flown by airplane direct to the train wherever the Royal visitors happened to be.

When the Royal Train got to the United States, Major Ross turned over his job to U. S. officials. Many of those on the train still remember his mortification at the way in which red tape tied up for hours his precious packages of mail which he had brought by plane from Quebec to New York and which were seemingly doomed to lie unopened through unwillingness of American officials to break the normal routine of post-office procedure.

The resource and zeal which enabled the King and Queen to enjoy letters from their two daughters before they went to bed at Hyde Park on that certain Saturday in June last, should greatly aid the Allied cause in the work on behalf of the Voluntary Service Registration Bureau.

* * *

Harry Napier

Canadian speaker at the Boston Conference on Distribution in mid-October will be H. Napier Moore, editor of Maclean's Magazine. Mr. Moore is known as Napier to most people, but his closest friends call him Harry.

NAPIER MOORE

Wondering a bit as to why a man with a good English name like Harry should allow himself to be called Napier, we did a little research and discovered that the Napier is largely the product of chance.

* * *

It seems that many years ago, when Mr. Moore was a member of the staff of the Montreal Star, there were two H. N. Moore's on the paper.

One day the executive editor called them in and said that there was too much confusion over their names. When a telegram or memo went out signed H. N. Moore, no one knew where it had come from. He asked them what their second names were.

One man said: "My full name is Henry Newton Moore, but if anyone calls me Newton I'll take a sock at him."

The other man said: "My name is Henry Napier Moore, but no one is going to call me Napier if I can stop it."

This was indeed an impasse. But the executive editor rose to the occasion. Firmly he announced: "I'm going to toss a coin and the loser uses his second name around this office and on his signed stories."

Henry Napier lost. So today he is H. Napier Moore.

* * *

The similarity of names led to an embarrassing incident once in Washington. H. Newton Moore was then Washington correspondent of the Star. H. Napier Moore was New York correspondent. They met in Washington to cover a certain story. It was just after the signing of the armistice and the building they entered was still under strict guard.

A uniformed official asked Newton Moore his name. He replied: "My name is H. N. Moore; I'm a newspaper correspondent and I work for the Montreal Star. I have an appointment with Mr. So-and-So."

Then the official turned to Napier Moore, who began to reply: "My name is H. N. Moore, I'm a newspaper correspondent . . ."

The guard interrupted with deep sarcasm: "Yes and I suppose you work for the Montreal Star and you want to see Mr. So-and-So" Well, you're both going to come with me."

He bustled the two H. N. Moore's off to the guard room where it took a lot of explanation and one or two telephone calls to high officials and to Montreal to convince the sceptical guards that the two gentlemen were not a couple of merry German pranksters in disguise.

* * *

War and Credulity

A few days ago a Toronto businessman (name deleted in case the censor should read this) had occasion to transact some business down near one of the big steamship piers in Montreal. In passing, he noticed the —————— (we will call it "X" in future) was in dock. Being very friendly with the Purser of "X" he telephoned the steamship company to ask permission to go on board.

Imagine his surprise when he was told flatly but firmly that the "X" was not in Canadian waters but was on the other side of the Atlantic. Our friend challenged this statement and reported the evidence of his own eyes, but the steamship company was adamant. "X," they said, was distinctly not at Montreal.

* * *

But our friend was still not satisfied. In fact, the seeming contradiction so worried him that he jumped into a taxi and again went down to the dock to see what he could see. Sure enough there lay the "X" resting quietly in harbor.

Again our friend 'phoned the steamship office and with considerable emphasis he again reported his conviction and again asked to be allowed to see his friend the Purser. Again he received an equally strong denial that the ship was in port. Again he was told the fabulous tale of the vessel being many thousands of miles away.

The argument waxed hot and heavy but finally our friend was told that if he wished to discuss the matter further he could, if he wished, come down and see the manager. Again our friend hailed a taxi and presented himself at the company's office. There, in the privacy of the manager's room, official credence was given the fact that the "X" really was lying in port even though the company still stuck to its story for the ears of more credulous enquirers.

* * *

Our friend never did see his friend the Purser. In fact, Canada being at war the manager expressed doubt as to whether he himself would even be allowed on board the ship. Certainly, he said, no one else would be permitted on board unless accompanied by a responsible officer.

Apparently it doesn't pay to be incredulous in times like these. You won't be allowed to see your Purser friends even though you do prove to your satisfaction that their ships are in port.

As Others See Us . . . . .

Strengthening the Cabinet
St. Catharines Standard

The Financial Post advises Prime Minister King to strengthen his Cabinet and submits that even the shuffle this week leaves much to be desired. As in football, so in government, trick plays do not make a strong team, notes The Post.

It all emanates from the original decision to maintain an all-Liberal administration for the prosecution of the war. That is the inherent weakness of the present set-up.

Union Government
Sudbury Star

The Financial Post is not satisfied that a union government is needed for Canada. The newspaper says:

"If opposition groups are alert and eager to serve Canada in the present crisis they will insist that immediate and effective action along these lines be taken. In so doing they will assist Canada's war effort more effectively than if they were to sacrifice their parliamentary freedom by scrapping the traditional two-party system for a union government."

To The Builders of a Nation
Essex County Reporter

For 200 years the engineer has paced Canada's progress.

In this comparatively short time he has led this country out of the wilderness to rank as fifth trading nation of the world. In exploration and development of a virgin land, in its transportation systems, in the building of its cities, in its network of modern communications, in the establishment of its industries the hand of the engineer has been the guiding factor.

A recent issue of The Financial Post paid tribute to these builders of Canada.

Regimentation in Canada
Brockville Recorder-Times

As war continues we may expect an extension of regimentation rather than a lessening of it.

Undoubtedly there will be heavier taxation. Undoubtedly there will be additional restrictions. Undoubtedly, as well, there will be additional interference with privileges that we regard as essential when peace prevails.

They will be accepted in just as good part as those already imposed have been accepted if we remember, as The Financial Post points out, that "Canada is engaged in a war with a totalitarian state that does not spare any effort to extract the last ounce of material and spiritual support from its people. We shall have to move even farther from our traditions of freedom in personal activity and toward totalitarianism if we are to meet the foes on an even basis. Even at the worst, though, we shall still have greater freedom, greater prosperity, greater security than the German people will have."

Tourist Opportunities
Toronto Star

It is not too early now to plan for next summer's tourist trade; this time, without the counter attraction of two newly opened world fairs. Concerns like the Toronto Convention and Tourist Association have found that additional tourist business can be secured by going after it; that by spending a little money to get it, a great deal of money can be brought into the country.

Floyd S. Chalmers said the other day before the Sales and Advertising Club of Toronto that "It is a matter of grave concern to Canada whether under war conditions the American people will continue to visit the Dominion. Even under the stress of war, people must travel, they must find rest and recreation. And in Canada the tourist will be infinitely safer and happier than he could be anywhere on the seven seas."

Other People's Views . . . . . .

Wily Bolsheviks
Sydney Post-Record

The wily Bolsheviks try to run with the hare and hunt with the hounds. What position they will twist into next, none may guess. But it is an even bet that they will do the most harm to those who trust them most. The Russian Bolshevist is about the worst animal in the world to go tiger-hunting with. The crime pact between Hitler and Stalin may yet prove the truth of that notable passage in "Mein Kampf," which predicted any alliance between Germany and Russia would mean a lost war and "the end of Germany."

Control of Exchange
Ottawa Journal

No Canadian need worry unduly over the Government's Foreign Exchange Control Board. It has been set up to do something which, in war, is essential, namely: To see to it that the country's foreign exchange resources are used in the national interest.

To sum the thing up briefly, this Exchange Control Board has not been devised to hurt Canada. It has been set up to help Canada. The exceptionally high character and ability of the men administering it is the best possible guarantee that its operations will be efficient.

Maintaining Liberty
Red Deer Advocate

In this district, as in most districts, there are a number of men and women who were born in Germany or who are of German descent. These coming weeks are going to be difficult ones for them.

These people came to Canada to make a living. They were dissatisfied with conditions in their homeland, and came to this country to try to improve their lot. Their attachments now are to this country, and they should not be subjected to the mean treatment handed out to some of their compatriots during the last war.

Stop Me If . . . .

One of Ottawa's first war stories concerns a zealous member of the army of salesmen swarming over the Capital in search of wartime contracts. He is said to have buttonholed a Government official and clamored for an order for war vessels.

"But we need boots more than warships at present," parried the official.

"Well, that's all right. Our firm is as well equipped to turn out boots as warships."

Week in Business

Busy Ontario Industries Increase Power Buying

Production of Niagara System of Ontario Hydro-Electric Power Commission Shows Gain — Heavy Industries Active Preparing for War

Definite evidence of improvement in Canadian industry is given in the consumption of electric power in the Niagara system of the Hydro-Electric Power Commission of Ontario. Consumption of power depends on two main factors, use in the homes of the people and by the industries of the country, and thus forms one of the best available indices of business conditions.

In time of depression, householders save on light and cooking, while industries use less power. Conversely, improvement in business is accompanied by expansion in the consumption of electrical energy.

Compared with a year ago, municipal and industrial consumption of electric power in the Niagara system which serves most of the large industrial areas of Ontario is up by 94,000 h.p. or 10%.

Considerable of this increase is due to expansion in the last month. The peak load in September, which occurred near the close of the month, was 117,000 h.p., or about 11% above the peak reached in August. It was also 5% above the peak reached last winter, in the season when, normally, consumption is at its peak.

* * *

The increase is attributed by Dr. Thomas Hogg, chairman of the commission, to heavier demand by a number of large industries which manufacture basic materials such as metal products, alloys, electro-chemicals, abrasives and nitrogen products. There has been a marked increase in the contracts with private companies engaged in the heavy industries, according to Dr. Hogg. Four or five large industries, he states, have recently increased their demand 50%.

Much of this power is being consumed in the preparation for the manufacture of munitions. Many new tools are needed. Steel and alloys used in the manufacture of munitions have to be prepared. Inventories of chemicals and abrasives have to be built up. The result is that hydro-electric power loads are coming up, all over the Niagara system.

Manufacturers in those areas are evidently looking forward, not only to a continuation but an intensification of this condition. They are showing active interest in getting adequate supplies for the future.

Among the different municipalities, it is noticeable that Toronto, which for some time previous had just been holding its own, has recently shown an increase which has brought its consumption up over 11% above last year. Hamilton has also been showing marked gains.

* * *

Last year the peak power production was 1,160,000 h.p. This year it seems reasonable to expect it will gain 150,000 h.p. and go over 1,300,000. The total at present is around 1,050,000 h.p.

No scarcity of power is anticipated as the commission will have available at least 200,000 h.p. over the 1938 peak.

It is to be noted that so far the increased consumption of power has been caused largely by preparation for munitions making. When production of shells and other munitions starts in a big way, further increases may be looked for.

This industrial activity translated into wages among the people at large, points to tremendous increase in the spending power among the general public for all sorts of household equipment. The money spent on military supplies will in turn be distributed as wages among the public who in turn can be expected to increase their purchases of all kinds of comforts and conveniences. This has already been reflected to some extent at the retail stores, where business is described as good.

Business Indicators

Current business active with the D. B. S. weekly index of business activity about level with previous week and above last year.

Country store sales in August 2.2% below 1938 level.

Employment indices on Sept. 1 above year ago.

Carloadings for week ended Sept. 23 higher than year ago, cumulative for year to date up 2%.

Steel production up in August, total for eight months 2.8% under last year.

Total imports in August above 1938. Cumulative for eight months down 1.5%.

Electric power output gains 8% in eight months.

Automobile production lower in August and for eight months, exports higher in both comparisons.

Construction contracts awarded in September under last year. Total for nine months up 5%.

Newsprint exports for eight months up 8.3%.

Mining—Nickel and copper production higher in July, cumulatives for seven months up 11% and 2.7% respectively.

Crude oil production higher in July. Total for seven months up 17.7%.

Trend of business shown by The Financial Post Index and following key factors, new items for the week being marked thus ▲.

	Sept. 23	Sept. 16	Sept. 9	Sept. 2	Sept. 24/38
Commodity prices	77.9	77.4	75.9	72.8	74.4
Weekly index	110.2	110.3	109.7	106.7	108.3
	Aug.	July	June	May	Year Ago
Financial Post index	°121.0	119.8	118.8	116.3	109.2
Retail index no. of sales	....	83.5	85.0	80.8	80.3
Dept. store "	73.6	77.3	72.2	75.2	74.7
Wholesale "	....	92.2	99.3	101.4	90.1
Country (% change fr. last yr.)	▲—2.2	—6.2	—7.7	—2.8	—0.8
Employment D.B.S. Index—	Sept. 1	Aug. 1	July 1	June 1	Year Ago
All industries	▲119.8	117.5	115.8	113.1	115.1
Manufacturing	▲115.3	112.8	111.3	111.4	113.8
Wage earners No. (000)	....	....	▲2,419	2,385	2,308
Living costs	....	....	$16.93	$16.92	$17.45
			Jan. 1 to date		%
Railways—	1939	1938	1939	1938	Change
Carloadings, wk. (Sept. 23)	▲72,157	60,664	1,761,591	1,725,693	+2.0
C.N.R. gross wk. (Sept. 21) $	5,631,182	3,971,607	134,725,677	124,342,480	+8.3
C.P.R. gross, wk. (Sept. 21) $	4,509,000	3,364,000	99,458,000	94,950,000	+4.7
C.P.R. net revenue (Aug.) $	▲905,950	491,021	6,883,453	3,679,387	+87.0
C.N.R. net revenue (Aug.) $	▲638,203	660,249	347,712	•5,116,693	....
Iron and Steel (Aug.)—					
Pig iron production (tons)	85,920	49,477	422,028	504,873	—16.4
Steel ingots and castings prod. (tons)	▲122,019	•82,871	813,309	837,449	—2.8
Automobiles (Number)—					
Passenger Cars:					
Domestic sales* (Aug.)	3,646	4,391	63,874	71,603	—10.7
Factory output (Aug.)	▲1,068	3,063	76,148	84,438	—9.8
Trucks and Buses:					
Domestic sales* (Aug.)	2,494	2,613	18,039	20,250	—10.9
Factory output (Aug.)	▲2,407	3,389	30,217	33,179	—8.9
Exports (Aug.)	▲6,171	3,912	45,781	43,643	+4.9
Financing (Aug.):					
Used $	3,288,609	3,231,692	24,998,564	26,684,357	—6.3
New $	2,276,081	2,501,978	20,122,942	25,447,092	—20.9
Construction—					
Contracts awarded (Sept.)	$▲19,379,100	19,534,900	150,781,900	143,461,700	+5.1
Cement, bbls. (June)	727,842	750,691	1,995,618	2,172,218	—8.1
Agriculture—					
Flour prod., bbls. (July)	1,105,502	928,722	7,927,853	6,439,851	+23.1
Flour exp., bbls. (Aug.)	379,276	286,270	3,005,951	2,220,586	+35.3
Wheat exp., (Aug.)	10,272,929	6,266,055	75,366,950	39,298,033	+91.7
Cattle sales (July)	61,220	64,127	397,686	387,976	+2.5
Hog sales (July)	42,144	43,619	358,138	409,863	—12.6
Sea Fisheries: (August)‡					
Catch, cwts	1,439,900	1,507,600	6,555,120	5,629,210	+16.4
Landed value	3,007,400	3,389,400	11,891,980	12,096,210	—1.6
Newsprint (tons)—					
Production (August)	236,975	220,303	1,805,669	1,682,720	+7.3
Exports (August)	▲235,486	219,610	1,650,777	1,523,732	+8.3
Mining and Oils—					
Coal prod., tons (July)	1,064,354	825,940	7,872,776	7,757,113	+1.4
Coal imports, tons (July)	1,590,973	1,480,069	5,456,919	6,457,800	—15.5
Gold prod., fine oz. (July)	440,065	419,685	2,932,510	2,639,755	+11.0
Nickel prod., lb. (July)	▲19,648,013	17,429,616	129,962,767	126,584,357	+2.7
Copper prod., lb. (July)	▲50,203,445	46,271,652	346,672,044	332,173,260	+4.3
Crude oil prod., bbls. (July)	▲899,169	701,813	4,270,407	3,623,291	+17.7
Crude oil imp., bbls. (July)	3,984,057	4,066,571	18,175,657	17,518,028	+3.7
Electric Power Output (Aug.)—					
Total monthly m.k.w.†	▲2,291,425	2,075,901	18,239,617	16,782,052	+8.0
Foreign Trade—					
Imports (August)	$▲62,708,079	57,026,268	442,367,448	449,541,032	—1.5
Exports (August)	$111,032,492	86,537,952	670,023,411	580,937,398	+15.3
Other Industrial Factors—					
Dressed lumber exp.:					
M. bd. ft. (August)	248,455	147,205	1,363,405	1,069,207	+27.5
Shoes, prod., pr. (July)	1,833,993	1,626,772	13,083,764	12,573,625	+4.0
Cotton imports, lb. (July)	9,419,000	7,588,000	62,983,000	71,694,000	—12.1
Raw rubber imp., lb. (July)	6,747,000	6,015,000	36,194,000	31,360,374	+15.4
Cigarette cons. (Aug.) No.†	719,562	668,798	4,689,888	4,539,360	+3.3
Sugar manufactured lb.§	101,582,123	100,705,387	489,370,866	470,846,295	+3.9
Finance—					
Bank debits (August)† $	2,389,741	2,371,129	19,899,573	19,422,568	+2.4
Bond sales (Aug.)	$113,231,600	52,096,566	980,751,526	777,649,927	+26.2
Life insurance (August.) $	28,558,000	28,446,000	253,345,000	252,913,000	+0.17

*D.B.S. All Canada figure comprising over 90% of the Canadian total.
†000's omitted. §For four weeks to Aug. 12, 1939. •Deficit.
‡Unrevised figures covering N.S., P.E.I., N.B., Que., B.C. °Final.

August U. S. Advertising Up 5% Over Last Year

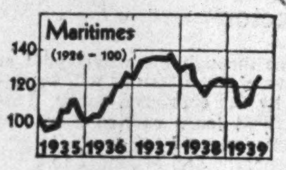
From Our Own Correspondent

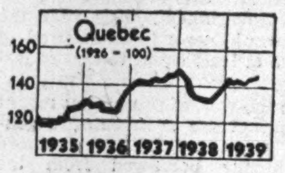
MONTREAL.—Newspaper advertising linage in 52 key cities of the United States took a healthy spurt forward in August and for the fifth successive month this year registered a gain, according to returns compiled by Editor & Publisher from Media Records measurements.

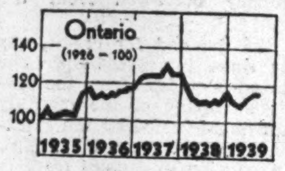
Total advertising linage last month was 90.5 million lines, an increase of 5.1% over the same month last year. Automotive with its 33.9% gain for the month, paced the other classifications and easily outdistanced financial, which was second with a 12.4% increase. General was third with a 9.2% gain being in departmental store advertising which advanced 4.5%.

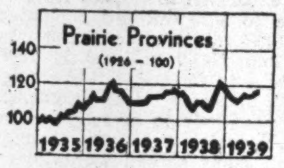
Business Shows Gains In All Economic Areas

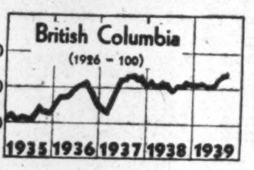
Business conditions continue favorable. Indices in all five economic areas were higher in August, the gains in Quebec, the Prairies and British Columbia being substantial. Advances in these sections were well distributed through the various items making up the indices, suggesting a further increase in prosperity. Employment indices were higher in all economic areas after seasonal adjustment. Bank debits increased in all areas except Ontario and the Maritimes.











Trend of Business in Economic Areas

	Aug., 1939	% Change from Aug. 1938	July 1939
Maritimes:			
Construct. contracts .. $	2,244,000	+12.1	4,559,000
Bldg. permits .... $	218,000	—20.1	292,000
Life ins. sales .... $ 000	2,089	—5.9	2,448
Bank debits ... $ 000,000	52.2	—2.1	56.4
Elec. pwr. ... kw.h. 000	77,794	+6.9	75,436
Employment*	116.4	+2.8	115.6
Shipping—Halifax, tons	308,505	+28.7	238,102
Exports .... $	6,420,677	+10.0	6,516,783
Index	125.7	+1.6	123.3
Quebec:			
Construct. contracts .. $	10,122,000	+50.0	6,780,000
Bldg. permits .... $	1,441,000	+12.8	1,972,000
Life ins. sales .... $ 000	7,553	—3.5	8,012
Bank debits ... $ 000,000	795	+1.9	802
Elec. pwr. ... kw.h. 000	943,684	+11.1	911,721
Employment*	128.5	+8.8	126.4
Raw cotton consum. lb.	11,950,149	+17.3	8,657,518
Newsprint prod. .. tons	236,975	+4.1	220,303
Index	145.7	+10.6	143.9
Ontario:			
Construct. contracts .. $	9,653,000	—2.8	7,233,000
Bldg. permits .... $	2,696,000	—5.1	2,485,000
Life ins. sales .... $ 000	12,793	+10.1	14,616
Bank debits ... $ 000,000	971	—9.5	998
Elec. pwr. ... kw.h. 000	767,661	+11.8	740,515
Employment*	116.2	+1.0	114.2
Livestock slaughterings*	155.5	+20.1	135.8
Steel prod. .... tons	122,019	+47.4	111,149
Auto. prod. .... No.	65,920	+33.2	59,587
Index	115.8	+4.0	115.8
Prairie Provinces:			
Construct. contracts .. $	2,193,000	+17.1	1,898,000
Bldg. permits .... $	1,041,000	+88.2	840,000
Life ins. sales .... $ 000	3,543	—6.2	4,385
Bank debits ... $ 000,000	407	+32.1	351
Elec. pwr. ... kw.h. 000	157,791	+6.3	151,318
Employment*	114.0	+1.6	109.4
Wheat receipts ..... bu.	53,967,000	+36.2	7,675,000
Wheat prices**	54.875	—28.4	55.375
Index	118.6	+7.1	114.8
British Columbia:			
Construct. contracts .. $	1,615,000	+3.4	1,660,000
Bldg. permits .... $	764,000	—13.8	946,000
Life ins. sales .... $ 000	2,216	+4.9	2,457
Bank debits ... $ 000,000	164.6	+4.5	168.5
Elec. pwr. ... kw.h. 000	166,662	—1.6	163,226
Employment*	116.6	+4.1	117.0
Exports .... $	11,998,144	+39.5	11,272,416
Shipping—Vanc'vr, tons	1,276,061	+10.2	1,176,069
Index	127.6	+5.3	127.0

*1926 = 100.
**Cents and eighths of a cent per bushel.

Nfld. Codfish Catch is Down

No Sharp Increase in Prices Expected This Season

Newfoundland's catch of codfish is expected to approximate one million quintals in the current year, a decline of 150,000 quintals from the 1938 total.

The deep sea fishery will yield about the same as last year, namely 233,000 quintals. The inshore catch will be down about 75,000 quintals and the Labrador catch by a similar quantity. The inshore catch in 1938 was 515,000 quintals and the Labrador catch, 407,000 quintals.

Unusually bad weather at the beginning of the season is responsible for the decline in the inshore catch.

An encouraging factor is the improvement in quality of all types. The quality of cured fish is much better than for many seasons, The Financial Post is informed. This is due to the intensive educational programme of the Newfoundland Fisheries Board and to the introduction of standard culling regulations.

While higher prices for codfish are indicated as a result of the outbreak of war, no sharp rise in the immediate future is indicated. The 1939 fishery in most producing countries was nearly over before war broke out. Since the catch was even better than in recent years there is not likely to be any serious shortage of supplies of fish.

Prices in most buying markets have already increased somewhat, but this will not benefit the producer. In most instances, the whole, or a substantial part of the increase has been absorbed by increased freight and insurance charges.

If the war is a long one, higher prices for codfish can be expected. As long as the war lasts, fishing in the North Sea will be restricted.

War Orders For Lumber

B. C. Assured Major Product Is Considered a Necessity

From Our Own Correspondent

VANCOUVER.—British Columbia industrialists, and especially the lumbermen who represent the most important coast industry of all, breathed easier this week. They received the first definite assurance that the British Government, including lumber among the commodities that the United Kingdom cannot do without in wartime, had arranged for tonnage to move this province's great lumber exports.

Orders have been placed by the British timber control board for about 200,000,000 feet of lumber, and the shipping controller has provided for the ships to move this tonnage, sufficient for at least 40 cargoes.

Activity Assured

In addition, British Columbia mills are reported to have an accumulation of orders previously placed by United Kingdom buyers amounting to between 150,000,000 and 300,000,000 feet and these will be absorbed as well as the new orders.

The lumber is to be purchased on the basis of Canadian dollars, free alongside ship. Before the war British orders were paid for in sterling on a cost, insurance, freight basis and the mills provided the ships. Under the new set-up the British Government, through its ship control board, will directly negotiate the provision of tonnage.

Prices have been stabilized at a rate slightly below the level prevailing before the war, but the assurance of this new business gives assurance that British Columbia's No. 1 export industry will swing into wartime stride without interruption.

*

A Trust Plan will protect and benefit the family

Your estate, cared for by this institution as executor and trustee, will be safeguarded.

The financial interests of the family will be protected from those who might impose on their inexperience or generosity.

Your wife will be freed from responsibility and worry about investment. Her income will be as dependable as experienced, prudent management can make it.

Your children can be given their shares gradually, thus enabling them to gain experience without risking the loss of all, which so often happens in one unwise venture. Their judgment will develop through association with our officers.

By leaving your estate in trust with this Company you minimize the shrinkage it would suffer if passed outright from one generation to another.

The Canada Trust Company

Managed in connection with
Huron & Erie Mortgage Corporation

Branch Offices in Six Provinces

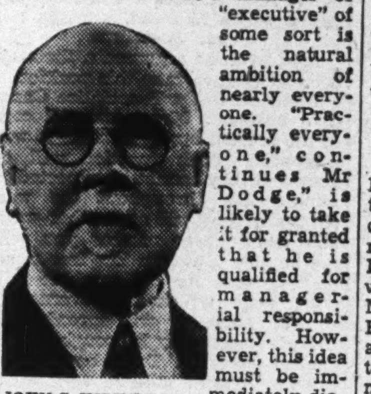
London, Windsor, Regina — Toronto, St. Thomas, Edmonton — Hamilton, Chatham, Vancouver — Montreal, Winnipeg, Victoria

Keeping Posted

Veteran Business Commentator Shares His Wide Reading With Businessmen

By J. C. KIRKWOOD

It is a fair assumption—so says Joseph M. Dodge, president, the Detroit Bank—that to be a "manager" or "executive" of some sort is the natural ambition of nearly everyone. "Practically everyone," continues Mr Dodge," is likely to take it for granted that he is qualified for managerial responsibility. However, this idea must be immediately discounted.



JOHN C. KIRKWOOD

Very few have ever given the problem of being a manager and the duties of management a moment's thought or study. There are always a number of persons who have no definite idea of what management means. The urge to be a manager is too often founded on mere desire. Eliminate all the individuals who have neither the desire nor the capacity to perform any task well, and it is easy to see that the number of people remaining as possibilities for real executive responsibility is not large."

Business and credit records, Mr. Dodge says, show that the average new business will fail within a few years (the average life of most businesses is 10 years or less), and the specific reason for failure of about 35% of such failures is poor management. And he says this, with emphasis: "The executive must be a builder. If he takes the responsibility for the problems of business and the work of other men, the issue is clear-cut: he must add to the situation that which does not exist in the work of the individuals without his authority and direction."

I repeat what I said on this page recently: Business management is an inviting vocational field to young men in quest of a career.

* * *

A Striking Menu

The devising of menu covers which will have distinction is never an easy matter, yet the problem was quite strikingly solved by those responsible for the official dinner of the Canadian Weekly Newspapers Association at its recent annual convention at Niagara Falls. The cover—reproduced in the advertisement of The Canada Printing Ink Company in the September issue of Printer and Publisher—has printed in white on a silver background the names of all the 389 members of the Association. Truly the effect was dazzling—brilliant—and was achieved with extreme simplicity.

* * *

Cellars Doomed?

Basements or cellars in connection with dwelling houses may eventually disappear. The probability is suggested in the September 15 issue of Sanitary Engineer. In its report of a recent convention in Chicago of the Heating, Piping and Air-Conditioning Contractors National Association, it says, "In keeping with the trend toward smaller heating units was pump-actuated circulation, which designed to do away with the necessity for a basement and increases the heat circulation from a smaller heating surface." Some of the displays at the convention had convectors which can be completely concealed in the wall, with opening so that room air circulates around the heating unit, and thus heats the space.

* * *

Bustling Drummondville

Frederick Edwards has repeated. He has visited another Canadian town for the enjoyment of readers of Maclean's Magazine. In the current issue of Maclean's he tells about Drummondville, Quebec. In the previous issue of Maclean's he told about Mattawa, and its distinguished sons. But it's not so much about men, as about industries, that he writes in telling of Drummondville. This community has doubled its size in twenty years—most of them recession years.

Mr. Edwards' article has a good title—"Success Formula for a City." This formula is composed of men and of nature. Thus, one sentence in the article is, "The Town's present prosperity has its roots among the falls and rapids of that swift-flowing stream—the St. Lawrence River—which, of course, is nature's part. But there are many places on the St. Lawrence which have not had Drummondville's amazing growth; man must be taken into account—corporate man—man in the form of industrial companies. Thus, in 1880, McDougall, Cowan & Company built an iron foundry in Drummondville. Their enterprise attracted other companies, and the snowball kept growing. Today some of the big companies in Drummondville are the Campbell, McLaurin Lumber Company; the Aetna Chemical Company; Southern Canada Power Company; Butterfly Hosiery Company; Louis Roessel Company; Canadian Celanese Company; Canadian Marconi Company; Drummondville Cotton Company; Dominion Silk Printing Company; Dominion Silk Dyeing and Finishing Company; Dennison Manufacturing Company. There are other companies, but those named are illustrative of the snowball principle. Cheap power, plus favorable location, plus a people who are happy to be working, equals a prosperous city. That's an equation, not a formula.

* * *

Air-conditioning

Most of us, I fancy, regard air-conditioning as being principally a hot-weather boon, yet Modern Power and Engineering says that air-conditioning is not confined to any special season as an installation, and as a subject of interest and inquiry to and by engineers, it is an all-year-round study.

Air-conditioning from the engineer's point of view receives much attention in the September issue of Modern Power and Engineering. An installation in Loew's Theatre, London, forms the theme of one contribution. Another contribution, by Frank G. Ewens, consulting engineer, explains the essentials of air-conditioning for power plants and industrial buildings. A third article tells of the air-conditioning installation in a modern Toronto apartment house. The interesting thing about this installation is that air-conditioning has been applied so far to only one floor of the building, but provision has been made for its extension to the other floors.

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Complete Agricultural Control Threatened to Prevent Mistakes

Two Viewpoints in Sharp Conflict On War Policy

From Our Own Correspondent

OTTAWA.—Two viewpoints are in conflict at Ottawa regarding wartime control of agricultural production and of the industries based upon it.

Conflict, perhaps, is too strong a word. There is a distinct cleavage of opinion and the next few months will demonstrate the line which the Government will follow.

Should Ottawa apply controls which will keep agriculture in balance and which will buttress our basic industry against the stresses of war?

To Prevent Mistakes

Everybody agrees that the industry must be kept in balance, that the desperate mistakes of the last war must not be repeated. But how should it be done? By price fixing and rigid controls centred at Ottawa, or by bringing the industry and the existing machinery of trade under a licensing system which would premit Ottawa to apply a mild brand of supervision?

Right now, the latter view—licensing and supervision as against complete control—is in command, but as war proceeds and as Canada increasingly feels the shocks, the pressure for a far-reaching invasion of the field of private enterprise may well become irresistible.

The argument, both ways, is of interest to businessmen and producers.

For Government Control

This is the case for immediate, large scale Government control:

It begins with the record of the last war. Government intervention did not commence until June 1917, when the U-boat campaign was at its height. By that time the need for control was unchallengeable. Agriculture had got completely out of balance, prices had soared to unprecedented levels, and damage had been done which a quarter of a century of unremitting effort has yet failed to repair.

Cheese is an example.

Prior to 1914, Canada held a great place in the British cheese market, exporting on average about 200 million pounds per year. Relatively much higher prices for butter during the war encouraged farmers to get out of cheese and a valuable peace time market war largely lost to New Zealand. No doubt there have been other contributing causes to this loss in the past 20 years, but the fact remains that this market was lost during the war and because of the disequilibrium caused by the war in our agricultural industry. Our prices got out of balance and production followed prices.

Control Inevitable?

The advocates of rigid controls argue that to maintain the industry in balance price controls and even acreage and production controls will be inevitable.

If the price of butter soars, farmers will ship cream to the creameries instead of milk to the cheese factories. Down will go the production of cheese. In the reverse, high butter prices will stimulate production until the market is glutted and the price collapses.

Butter, they argue, should be about two and a half times the price of cheese if you are going to hold the two products in balance. Why not fix prices now for the duration of the war and be done with it?

Likewise with hog production. Hogs should be 10 times the price of barley. If barley rises and hogs do not follow, farmers slaughter their hogs and sell barley direct. A shortage of hogs will result with sky-high prices as the inevitable consequence. Farmers will rush back into hogs and a glut will knock the bottom out of the market. You should peg both prices now, it is argued, and prevent future chaos.

And so throughout industry.

It is not disputed that price controls would spread gradually from the agricultural field into the business field until the entire business structure, based upon agriculture, would be rigidified.

Runaway Acreage

But the advocates of control would not now go beyond fixing the price of cheese, butter, shorts, livestock feed and hogs. They believe that steady production all along the line is essential not only to our war effort but to post-war reconstruction. They desire to bring agriculture through in a rational, balanced way. After the last war, during which acreage zoomed upward from 33 million to over 50 million acres under cultivation, problems arose which have defied solution and which (as in wheat) have cost the taxpayers millions of dollars.

True, the planners admit, price controls will be effective only in products which are predominantly for domestic consumption. In some, like cheese, a pegged price would mean outright purchase by Ottawa for resale in Britain. But they believe Britain will be glad to pay a reasonable price for cheese.

Finally, they argue that a broad system of price control will make for greater efficiency in all phases of production. They point to the scandals of the last war, profits of 80% per year and higher, and ask if public opinion will stand a repetition of the Kyte charges and the investigation which followed.

Fear Socialism

Against these arguments, the majority at Ottawa take this position.

Rigid control will socialize Canadian business. Many essential cogs in the present business machine will disappear. Their function will be gone and they cannot be expected to remain idle throughout the war. Naturally they will seek other work and when peace returns you will not be able to return to a free economy because the old machine will have been wrecked. Government control inevitably will spread until the whole economy is brought under central direction. To go back to the pre-war system will be very difficult, perhaps impossible.

Therefore, as few want a socialist order in Canada, the wise course is to interfere as little as possible with existing business machinery and even when interfering to be sure to retain all of it in use. So plan the interference that it can be abolished after the war without crippling the system. Be in a position to take off the controls and say to business—"Go ahead." Nobody wants a repetition of 1914-18 but there is a middle course and it should be followed.

Favor Licensing Policy

A far-reaching system of price control, therefore, is to be rejected. A licensing system, retaining all the machinery of business but keeping it under check and supervision is the right policy. Such a policy if followed in the last war would have avoided the mistakes. The early controls—those of 1917—were inefficient. The first food control board simply "talked" with business men. The results were disastrous. But in February, 1918, came the Canada Food Board under Hon. T. A. Crerar, incidentally the only member of the present cabinet with war-administration experience, and this board placed the trade of the country under license. Prices and spreads were watched carefully and after the war, on March 19, 1919, the Government was able to lift the licenses, abolish the board and allow the ordinary business machinery to resume.

The problems which remained and which are today complained of were problems created prior to 1918, before the licensing system was applied.

Undoubtedly the Government today is acting along the lines of the Canada Food Board. The Wartime Prices and Trade Board is the counterpart of the 1918 board and is functioning in much the same way.

But the dissenting element is not satisfied with these measures and so the controversy proceeds.

Banking

Crop Forward Buying Expands Loan Demand

Influence of Good Harvest Felt Even Before Outbreak of War — Increase in Inventories Since Then Is Big Factor

Canadian banks are reporting a steady increase in the demand for credit.

This is due to two factors: the movement of the wheat crop and the increased buying of raw and manufactured products due to the war. Interest rates have also firmed. While there does not seem to be any general anticipation of higher interest rates on bank loans, it is thought that the downward trend has been definitely checked. Under these conditions it seems probable that the banks will be able to show a better margin of income over expenditures than they have for some years.

The movement of the crop is expected to require many millions of bank credit.

While some wheat has been moving out of the country, it is believed that large quantities will be stored in Canada until the spring. For one thing, the allies will probably have their convoy system well organized by that time, while the grain is perhaps safer here than it would be in either Great Britain or France. Both countries are believed to be fairly well supplied for current needs. This grain whether it be held by the Government through the wheat pool or by private organizations will be financed by the chartered banks. Last year wheat loans carried a rate of interest of around 5% to 6% to private concerns and around 3 to 3½% to the Government. This year the banks would seem to be assured of a return at least equal to that of last year.

Then the war, of course, has meant a sharp increase in inventories generally which are in turn financed with money borrowed from the banks.

That the demand for credit was showing some increase before the war started is evident from the preliminary summary of the monthly bank statement issued by the chartered banks as of August 31. This shows expansion in current loans in Canada to $826 millions compared with $813.9 millions the month previous and $781.0 millions in 1938. Call loans in Canada, however, declined. Increased stock exchange activity is likely to be followed by some expansion however. Current and call loans abroad were lower.

Summary of the statement is found below:

	Aug. 31, 1939	July 31, 1939	Aug. 31, 1938
Reserve fund	$ 133,750,000	$ 133,750,000	$ 133,750,000
Note circulation	92,816,492	92,835,769	98,661,488
Demand deposits	705,171,205	694,169,484	687,159,311
Notice deposits	1,701,886,610	1,697,240,089	1,634,654,979
Deposits outside Canada	500,892,172	474,232,824	400,442,302
Bank of Canada notes	57,645,819	53,832,318	54,472,989
Deposits with Bank of Canada	201,318,349	206,916,552	202,249,878
Government and other securities	1,507,289,572	1,520,339,082	1,439,863,386
Call loans in Canada	49,106,766	51,239,956	70,533,480
Call loans elsewhere	41,843,104	42,682,852	55,048,243
Current loans in Canada	826,351,734	813,947,295	781,010,385
Current loans elsewhere	140,896,518	144,928,018	144,215,066
Total liabilities	3,531,442,849	3,506,597,893	3,318,949,201
Total assets	3,548,426,551	3,519,913,804	3,334,356,596

Bank of Canada Weekly Statement

Feature of the Bank of Canada statement for the week ending Sept. 27 is the appearance of an item, Advances to Chartered and Savings Banks, $1,000,000. This is the first time in almost a year that an item of this kind has appeared in the statement. Until the return of the chartered banks to the minister of finance for September is published it is not likely that any detailed information will be available. It indicates, however, borrowing by some one of the chartered or Quebec savings banks from the central bank.

Just about a year ago there was an advance by the Bank of Canada to the chartered banks of $5 millions shown on the Bank of Canada weekly statement. This was shown in the October return of the chartered banks to have been made to the Provincial Bank presumably in connection with a loan to the Quebec Government.

It is thought probable that the advance on this occasion may be something of the same nature to take care of wheat loans or some other credits by one of the chartered banks.

Note circulation is up $4.6 millions and deposits by the chartered banks are also higher reflecting in part, increased investments in Dominion short-term loans.

Balance Sheet

	Sept. 27 1939 $	Sept. 20 1938 $
Liabilities		
Capital paid-up	5,000,000	5,000,000
Notes in circ.	207,757,696	203,152,567
Rest fund	1,903,515	1,903,515
Depos.: Dominion	38,013,382	36,488,308
Banks	216,392,806	210,205,954
Other	10,890,848	9,466,603
Total deposits	265,297,036	256,160,865
All other liabs.	5,585,297	8,432,270
Total liabs.	485,543,544	474,649,217
Assets		
Reserve: Gold	225,674,969	225,674,969
Res. in sterling and U. S.	44,348,148	50,472,726
Other curr.	8	8
Total reserve	270,023,125	276,147,703
Subsidiary coin	252,712	338,905
Advances	1,000,000	......
Investments:		
Dom. govt. short	145,919,735	129,579,249
Other Dom. govt.	63,905,522	64,414,294
Total invest.	209,825,257	193,993,543
Premises	1,660,436	1,660,436
All other assets	2,782,013	2,508,630
	485,543,544	474,649,217
Reserve ratio	57.08%	60.12%

Bank Chat

Some United States banks have gone to great length to make it easy for their customers. Recently in South Bend, Indiana, workmen started installing, in the new building of the First Bank and Trust Co., a device under which a customer can drive his car directly up to a special window equipped with a turntable. He can lay his passbook and deposit on the turntable. The teller then turns it round so that the deposit goes into the bank. The entry is made and with a reverse twist the passbook is returned. Arrangements are made so that the tellers are protected by bullet-proof glass and a gun port on each side. They can converse with a customer without the aid of any speaking system.

Weekly Bank Clearings

	Sept. 28 1939 $	Change Year Ago %	Sept. 21 1939 $
Halifax	2,385,565	+2.4	2,815,718
Saint John	1,706,283	+7.7	1,927,536
Moncton	729,656	+2.3	841,145
Sherbrooke	731,248	+17.2	710,627
Quebec	4,510,102	+12.0	5,219,474
Montreal	86,646,472	—21.6	101,475,290
Ottawa	16,341,378	+12.5	17,742,915
Kingston	674,237	+10.7	623,997
Peterborough	623,678	+15.8	584,837
Toronto	88,093,028	—8.2	130,872,889
Hamilton	5,372,318	+22.2	5,376,311
Kitchener	1,100,179	+6.1	1,230,484
Brantford	794,294	—2.9	1,164,965
London	2,236,864	—14.1	2,711,563
Chatham	609,584	+22.8	618,787
Sarnia	414,826	+9.3	406,765
Sudbury	1,140,217	—3.3	1,008,749
Windsor	2,450,941	+0.5	2,557,102
Fort William	770,407	+15.0	790,660
Winnipeg	77,723,327	+34.9	86,558,033
Brandon	431,252	+0.9	498,390
Regina	10,241,848	+41.8	12,068,674
Moose Jaw	727,447	+3.7	919,632
Saskatoon	1,800,256	+22.5	1,781,073
Prince Albert	385,717	+21.9	400,205
Edmonton	4,105,123	+1.7	4,380,158
Lethbridge	713,844	—7.3	702,023
Medicine Hat	400,078	+12.5	391,132
N. W'minster	634,304	—0.4	581,356
Vancouver	17,075,630	—12.5	19,506,407
Victoria	1,564,699	+0.4	1,885,576
Calgary	7,534,054	—24.0	6,663,410

Monthly Bank Clearings

	September 1938 $	September 1939 $
Saint John	7,024,441	7,920,507
Moncton	3,146,985	3,379,428
Quebec	19,819,305	11,584,081
Montreal	447,744,130	460,402,542
Ottawa	74,716,005	82,729,990
Peterborough	2,630,384	2,533,278
Toronto	437,593,886	483,217,105
Hamilton	20,137,593	22,654,143
Kitchener	4,792,678	4,734,270
Brantford	3,419,592	3,940,628
London	10,290,839	10,860,398
Sherbrooke	2,961,758	3,000,728
Ft. William	3,089,995	3,249,652
Brandon	2,011,617	1,983,658
Moose Jaw	3,313,369	3,419,977
Prince Albert	1,449,213	1,591,360
Edmonton	17,304,634	17,580,866
Calgary	32,174,821	27,348,363
Medicine Hat	1,529,825	1,558,770
N. Westminster	2,612,013	2,769,654
Vancouver	78,235,174	75,801,611
Victoria	7,102,508	7,519,015

New Books

Red and Brown Shirts

COMMUNISM AND SOCIALISM. A Study in Revolutionary Technique. By Arnold Lunn. Published by Collins, Toronto. Price $2.

This is a study of the Trojan Horse of 1939. Mr. Lunn cites the record of recent years to show the manner in which Communism and Socialism —he sees little difference between them—are being welcomed into the gates of our capitalist economy where their only mission is to destroy us. Socialism and Communism, he declares, revolutionary doctrines. They can be introduced only by revolution and destroyed only by counter-revolution. He is willing to be the leader of the counter-revolution which he thinks is long overdue.

Mr. Lunn deplores the drift to the Left of the so-called intellectuals. Their discussions may seem harmless and academic but in reality they are promoting the downfall of our society. We are either against Bolshevism and revolution or we are for them. And if we are against them we have to fight them at every barricade. Otherwise the end is violence and destruction in the manner of the Jacobins, the Leninites and the Nazis.

Mr. Lunn's record is not merely one of fighting in the streets, of revolutionary coups d'état and civil wars although he does document the Russion revolution and the Spanish War. He is really more concerned with the Trojan Horse methods, the undermining of our society by groups of conspirators and their dupes who operate under the protection we give them to destroy the very rule of law that gives them license to operate.

It is the intellectual case for Socialism that Mr. Lunn seeks to analyse and expose. "Social Justice is important but a soft heart need not necessarily imply a soft head," he says.

A couple of years ago, Mr. Lunn's book probably would not have been received with much acclaim. Then most people were swallowing the preposterous claims of the Paradise creators in Russia and Germany and their enthusiastic admirers within the democratic countries. But now that the two chief revolutionary powers of the world have joined hands to impose their doctrines upon us by force there will be many a reformed doctrinaire who will turn to Mr. Lunn's volume for an exposure of the manner in which he has been duped.

Mr. Lunn is a spirited critic. He is outspoken to the point of being provocative. He marshals evidence carefully but more in the manner of a prosecuting attorney than a historian. Nevertheless he makes out a powerful indictment of revolution masquerading as "Social Justice."

Municipal Finances

Ottawa relief costs in the first eight months of the year decreased $128,290, or 12.5%, although number of persons on relief in the city increased.

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Fort William, Ont., tax collections are slightly better than those of last year, it is reported.

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Calgary has reduced its debts to banks and public debts by more than $278,000 from the same time last year.

* * *

Chilliwack, B.C., council has approved submission of a by-law for a new district hospital. Cost will be $75,000 to $100,000. The provincial has set aside $25,000 for the building.

* * *

North Bay, Ont., tax collections to the end of August showed an improvement of more than $25,000, compared with the same period last year. Current collections and collections of arrears, both increased, and total returns amounted to $516,528, $25,637 up from last year.

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Riverside, Ont., council voted against a proposal that final settlement of refinancing the town's debenture debt be delayed five years.

* * *

Calgary had a surplus of $110,977 on the city's electric light department in the first eight months of the year compared with $24,398 in the same period last year. The increase is due to a large extent from operation of the distribution system of the Calgary Water Power Co., purchased by the city in May, 1938.

* * *

Sudbury, Ont., assessment department expected an increase of $750,000 in the city's 1939 assessment. Last year's total was $15.1 millions.

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Chatham's sale of its own bonds, following failure to receive satisfactory purchase offers from underwriters, is reported to be proceeding satisfactorily. The entire issue was for $250,000 of 3% 10-year debentures, proceeds of which will be used for collegiate.

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Port Arthur, Ont., reports investments in sinking fund at Sept. 22 valued at $845,023, comprised of the following: Alberta, direct and guaranteed, $265,357; Saskatchewan, $100,000; British Columbia, guaranteed, $124,000; Manitoba, $47,000; Ontario, direct and guaranteed, $270,500; Fort William, $12,167, and New Brunswick, $26,000.

Staff Changes

The Bank of Nova Scotia announces the following changes:

M. H. GILMORE, to be manager, Port Daniel Que.

W. D. McARTHUR, to be accountant, Winnipeg, Man.

* * *

The Royal Bank of Canada announces the following staff changes:

A. S. HOPKINS, accountant, Halifax, N.S., to be manager, Spring Garden Road, Halifax, N.S.

W. C. ROBERTSON, accountant, Yonge and Richmond, Toronto, to be accountant, Halifax, N.S.

* * *

The Imperial Bank of Canada announces the following staff changes:

F. L. APPLETON, manager, Sylvan Lake, Alta., has been granted extended leave of absence to join the active service forces.

J. H CLARK, formerly manager, Sangudo, Alta., to be manager, Sylvan Lake.

E. REBURN, formerly of Edmonton office, to be acting manager, Sangudo, Alta.

* * *

The Dominion Bank announces the following staff changes:

I. H. GORDON, to be manager, Guy St. branch, Montreal.

E. E. BALDWIN, to be manager, Beaubien and Christophe Colomb branch, Montreal.

J. C. FOGGO, formerly manager, Union Stock Yards, St. Boniface, Man., to be manager, Portage Ave. and Sherbrooke St. branch, Winnipeg.

* * *

The Canadian Bank of Commerce has closed its branch at West Hill, Ont., effective Sept. 30.

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These are rare days at P.M.—landscape filled with flaming scarlet and gold, mellow browns and greens. A pot of steaming coffee, a sniff of sizzling steak, revitalize you. Come to the top of the Poconos for Columbus Day. Golf. Riding. Bring the whole family.

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Single room without bath, $2.50; running water and toilet.
Single room with shower, $2.75.
Single room with bath, $3.00.
Single room with tub and shower combination, $3.50.
Double room without bath, $4.00; running water and toilet.
Double room with bath, $4.50.
Double room with tub and shower combination, $5.00.
Twin bedrooms with tub and shower combination, $5.50.
Soliciting your appreciated patronage,
H. F. STRUCKETT, Manager.

Saint John Calling!
It's the Admiral Beatty—the official AAA hotel. 250 fireproof rooms from $2 single, $3 double. Modern cafeteria. AAA garage.
The ADMIRAL BEATTY
SAINT JOHN, N.B.

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254 Branches in All
LONDON: Chief City Office: 3 Bishopsgate, E. C. 2
ROYAL BANK OF SCOTLAND
(Incorporated by Royal Charter, 1727)
Total Assets .... $429,679,150 ($5 to £1)
Associated Bank: Williams Deacon's Bank Ltd.

Biopsy, a microscopic examination of diseased tissue, will quickly reveal the presence of cancer.

DISCOVERED IN TIME—
MOUTH CANCERS ARE CURABLE!

MOST sore spots in the mouth are healed promptly by Nature. But if you have a persistent sore spot on your lip, tongue, cheek, or any other part of the mouth, you may be in urgent need of medical aid.

The presence of a swelling, lump or a strange white spot should arouse suspicion and be investigated. Sometimes a scientific test is made, a biopsy, in which a tiny section of the suspected tissue is taken for microscopic examination. If traces of cancer are found, no time should be lost in giving what may well prove to be life-saving treatment—X-ray, radium or surgery.

Though a mouth cancer may be small at first and sometimes hidden, it can usually be identified before it reaches an incurable stage. Medical studies have proved that many deaths from this form of the disease could have been prevented by prompt detection and proper treatment.

Self-treatment may be dangerous. A delay of even two or three weeks in caring properly for cancer of the mouth may cause another unnecessary death.

Mouth cleanliness is especially important in the prevention of cancer fatalities. Bad teeth should be cared for or removed. Jagged edges of teeth should be smoothed. Dental plates and bridges should fit comfortably. Some persons have a mouth condition known as leukoplakia—"white spot disease"—which, if untreated, may develop later into cancer. In these cases particularly the excessive use of tobacco and sharp condiments should be avoided.

Do not be misled by false claims that cancer germs have been discovered and special "cures" for cancer are available. The true and encouraging story about mouth cancer is that because of its accessibility it can be removed or destroyed when discovered in early stages.

Send for the Metropolitan free leaflet "A Message of Hope" which gives information that everyone should have about cancer. Address Booklet Department 10-F-39, Canadian Head Office, Ottawa.

METROPOLITAN LIFE INSURANCE COMPANY
NEW YORK
FREDERICK H. ECKER, Chairman of the Board
LEROY A. LINCOLN, President
CANADIAN HEAD OFFICE—OTTAWA
SERVING CANADA SINCE 1872

Louis and Marie Hébert working in their fields.

Louis Hébert

Louis Hébert, Canada's first practical farmer, was a member of that little colony at Port Royal (Annapolis Royal) who, in 1605, first attempted to cultivate Canadian soil. Later, in 1616, he settled in Quebec, made a clearing on the heights of Cape Diamond, cultivated it with his own hands, acquired a fief and became, except for Champlain, the leading citizen of Quebec. Above is depicted a monument to his memory which today stands in the City of Quebec.

SEED TIME and HARVEST

IN those far-off days Louis Hébert had no bank to give him assistance or encouragement. Today it is different. This Century-old Bank, actuated by a genuine desire to promote Canada's basic industry, always welcomes opportunities to serve the agricultural community.

Coast to Coast in Canada
NEWFOUNDLAND, JAMAICA, CUBA, PUERTO RICO, DOMINICAN REPUBLIC, NEW YORK, CHICAGO, BOSTON, LONDON, ENGLAND.

The BANK of NOVA SCOTIA
OVER A CENTURY OF BANKING EXPERIENCE

Your Investments

What We Do:

1. Give information on Canadian securities to Financial Post subscribers.
2. Publish anonymously letters of general interest.
3. Supply facts rather than opinions.

What We Don't Do:

1. Answer enquiries of non-subscribers.
2. Answer enquiries on foreign securities.
3. Reply by telephone or telegraph.
4. Select lists of securities; express opinions; or make forecasts.

Three-cent stamp and address label from subscriber's copy of The Financial Post must be enclosed. Address letters to The Financial Post, 481 University Ave., Toronto 2.

Imperial Oil

Would you kindly outline for me the position in which Imperial Oil finds itself in war?

Imperial Oil is the largest refiner and distributor of petroleum products in Canada. It has important interests in the production of crude oil in South America through International Petroleum Company and in Canada through Royalite. In recent years by far the greater part of the company's net earnings have been coming from dividends from subsidiaries of which the largest are the two mentioned.

With prospects that petroleum supplies will be in greater demand because of wartime needs, the outlook for this company's crude oil producing interests should be improving. In this respect Imperial Oil might be regarded as suffering less from the higher cost of petroleum imported into Canada for refining than might some other companies. In recent years, Imperial Oil has been reporting earnings of around 95 cents a share while paying total dividends of $1.25 a share. Although there has been no hint given as yet of any change in the policy, it must be remembered that this practice of paying out more than is earned cannot continue indefinitely without weakening the company's position.

Dominion Bridge

Would you please give me your opinion on the current position and the outlook for Dominion Bridge Co.?

Dominion Bridge Co. is the principal organization of its type in the Canadian field. As its name implies, the company is primarily engaged in the manufacture and erection of bridges, but it also produces a wide variety of machinery and structural steel forms. The volume of business available to the company in the last two or three years, while appreciably greater than during the depression years, has kept net earnings at a comparatively low level. However, because of its strong financial position the company has been able to maintain dividends regularly. This company should be an important unit in any war work carried on in Canada for either the Canadian or British Governments. The company's plant is suited to the manufacture of munitions and certain types of heavy armaments.

Canadian Car

Kindly furnish me with a brief report on the progress of Canadian Car & Foundry Co. Do future prospects point to increased earning possibilities for the preferred and common stock? In what position does the company find itself regarding early receipt of funds in connection with their claim of payment from war reparations?

During the last two years the volume of railway equipment business available to Canadian Car has been rather limited and much of the management's attention has been directed to the new aircraft division. During the 1938 fiscal year the company earned $1.81 a share on the common stock, as against $1.75 in 1937. Present indications point to an increase in earnings. A railway equipment buying policy involving an outlay of $25 millions was announced recently for the two railways and Canadian Car is expected to secure its usual share of this business. In addition, the company is participating in aircraft contracts placed in this country by the British Government. The favorable decision on the war claim should materially improve the liquid position of the company, but it is impossible at this time to state just when payment will be made on account of the claim. One factor which has had a depressing effect upon the market action of both its preferred and common stock has been the widely circulated reports that the company lost heavily on experimental work in connection with its aircraft division. The losses are said to be of such an extent as to weaken liquid position. While the company has not made specific answer to these rumors the deferment of the preferred dividend last June would seem to indicate that the reports were accurate.

Canada & Dominion

What is the outlook for Canada & Dominion Sugar Co. in War?

Sugar is considered an essential commodity. Recent jump in buying is indicative of the importance placed upon this commodity, and fears thereby expressed for a substantial rise during wartime. Disruption of transportation facilities and increased marine insurance will contribute to increasing costs.

Canada & Dominion Sugar Co. is the largest unit in the sugar refining industry in Canada. The company refines both cane and beet sugar. The latter product supplies about 16% of total Canadian demand.

In a short time the beet crop will be processed. We understand that it is good, and there is assurance that there will be an active demand for the finished product.

Rise in the prices of sugar may be expected, but it is unlikely that the Wartime Prices and Trade Board will allow sugar to go to unwarranted levels. The Financial Post is told that the refineries did not raise their prices to wholesalers in the recent rise, but abnormal buying forced the retail prices upward.

Whatever happens, it is probable that for some time the facilities of Canada & Dominion will be working at full time to keep up with the demand. Its financial position is strong and its earnings record over a period of years has been satisfactory.

The strength of this corporation is indicated by the yield on its common shares. At present market prices this yield is only slightly more than 5%, which is little, if any less, than the yield that you could expect on high-grade bonds.

The common stock is on a regular annual dividend basis of $1.50 a share. In the year ended Jan. 31, 1939, net profit was equivalent to $1.32 a share, compared with $1.56 in the previous year.

Working capital at the end of the 1939 year totalled $15.7 millions against $14.9 millions at the end of the previous year.

Shipman Boxboards

We have not seen a statement of Shipman Boxboards Ltd., in which company we hold bonds. Could you give us any information on this concern?

Last summer, Shipman Boxboards Ltd., made an arrangement with its general creditors under the Companies Creditors Arrangement Act whereby unsecured debts were postponed, 20% for one year, 30% for two years and 50% for three years. This scheme was ratified by the required majority of creditors present and approved by the courts and made binding. We understand that the company is operating although at what rate of capacity we do not know. The 5% debentures are a first floating charge on the company's assets and it is thought that fixed assets would be pretty well adequate to secure these debentures even at a forced sale. The company's prospects were made more involved by the price cuts in the container business over the past year.

At present, representatives of the Dominion are taking legal action against a number of companies in the industry, which may have the result of clearing up the situation. The outlook has also changed with the beginning of some price rises. This company, however, has not yet established any good basis of earnings and it is difficult to give a reasonable estimate of the outlook for the debentures.

Asbestos Corp.

It would be appreciated if you would let me have a report on Asbestos Corp.

The position of Asbestos Corp. has undergone a marked improvement in recent years and the company is now in better shape than it has been for some time past. The demand for asbestos has grown steadily and profits for 1938 were at the highest level in the company's history. It is not easy to say how operations will be affected by the war conditions, but the prospects are that there will be a continued strong demand and with possible rising prices. The current position of the company finds reflection in the fact that the management not only declared the regular dividend on the common stock but an extra dividend of equal proportion.

BRITISH COLUMBIA POWER CORPORATION

LIMITED

and Subsidiaries

OFFICERS:

W. G. Murrin .... *President* — A. T. Goward .... *Vice-President*
E. H. Adams, *Vice-Pres. and Treasurer* — E. Rogers .... *Secretary*

DIRECTORS:

E. H. Adams, C. E. Calder, John Davidson, S. Godin, Jr., A. T. Goward, J. H. Gundy, Andrew P. Holt, Sir Herbert Holt, George Kidd, H. R. MacMillan, W. G. Murrin, A. J. Nesbitt, Austin C. Taylor, P. A. Thomson, J. B. Woodyatt

CONSOLIDATED BALANCE SHEET

as at June 30th, 1939

ASSETS

Current and Working Assets:		
Cash at Banks and on hand	$ 54,308.30	
Accounts Receivable less Reserve	1,615,327.55	
Insurance Unexpired and Prepaid Items	191,051.88	
Employees' Housing Loans, Mortgages, etc.	124,370.39	
Stores, Materials and Supplies, determined as to quantities by book inventories confirmed by periodical counts or measurements, valued at average cost	1,509,538.88	
		$ 3,494,597.00
Investments:		
Corporation's Shares purchased by Subsidiaries for re-sale to customers and employees	$ 793,470.10	
Sundry Investments	2,843.00	
Market Value June 30, 1939, $561,351.00	$ 796,313.10	
City of Vancouver 3% Instalment Debentures, at cost	157,788.00	
		954,101.10
Bond Refunding Expense:		
Premium and exchange on bonds redeemed, bond conversion expenses and discount—balance		1,435,725.06
Property Account:		
Book values which represent the cost of acquisition, and the cost of subsequent additions, including discount on bonds of $728,670.56, which is charged to Construction Accounts of Subsidiaries	$143,994,011.68	
Less Provision for Depreciation and Renewals	27,847,568.18	
		116,146,443.50
		$122,030,866.66

Note:—An appraisal of the properties of the British Columbia Power Corporation Limited and its subsidiaries, made by Stone & Webster Engineering Corporation of Boston, Massachusetts, as of December 31, 1936, shows a total replacement cost as at that date after a deduction for existing physical depreciation of $131,802,312. This foregoing total includes an amount of $15,000,000 for going concern value.

The balance in the Property Account as at December 31, 1936, after deducting the reserve for Depreciation was $113,739,799.32.

LIABILITIES

Current and Accrued Liabilities:		
Accounts Payable	$ 1,375,156.88	
Reserve for Income and other Taxes	1,294,915.33	
Debenture and Bond Interest accrued	323,344.54	
Dividends declared, since paid	749,600.00	
		$ 3,743,016.75
Bond Debt		38,497,624.50
Capital Stocks of Subsidiaries Held by Public:		
British Columbia Electric Railway Co. Ltd.—5% Cumulative Perpetual Preference Stock	$ 6,984,000.00	
British Columbia Electric Power & Gas Co. Ltd.—6% Cumulative Preference Shares	5,000,000.00	
The Company has the right to redeem these 6% Preference Shares with a premium of 5% subject to the sanction of the Supreme Court of British Columbia.		
Minority Shareholders of Subsidiaries	3,446.25	
		11,987,446.25
Reserves:		
General and Accident		1,319,630.96
Capital:		
Authorized—1,500,000 Class "A" Shares without nominal or par value entitled to non-cumulative preferential dividends aggregating $2.00 per share and equal participation with Class "B" Shares up to a further $3.00 per share, redeemable at any time on resolution of Directors at $100.00 per share. 1,500,000 Class "B" Shares without nominal or par value.		
Issued—1,000,000 Class "A" Shares and 1,000,000 Class "B" Shares issued for a total cash consideration of	$ 59,250,000.00	
Capital Surplus:		
Surpluses of Subsidiaries as at May 19, 1928, the date of the acquisition of their Capital Stocks by the Corporation	6,115,764.59	
Earned Surplus as per statement	1,117,383.61	
		66,483,148.20
		$122,030,866.66

Approved on behalf of the Board: W. G. MURRIN, Director. JAS. B. WOODYATT, Director.

AUDITORS' REPORT TO THE SHAREHOLDERS

We have made an examination of the books and accounts of the British Columbia Power Corporation Limited and its Subsidiary Companies for the year ending June 30, 1939, and have obtained all the information and explanations which we have required and we report that, in our opinion, the above Consolidated Balance Sheet at June 30, 1939, is properly drawn up so as to exhibit a true and correct view of the state of the combined affairs of the Corporation and its Subsidiary Companies, according to the best of our information and the explanations given to us and as shown by the books of the Companies.

PRICE, WATERHOUSE & CO., Chartered Accountants.

Vancouver, B.C., August 10, 1939.

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND EARNED SURPLUS ACCOUNT

for the Year Ending June 30th, 1939

Gross Revenue from Operations	$ 15,395,710.12	
Income from Investments	45,532.18	
		$ 15,441,242.30
Deduct—		
Expenses including Municipal Taxes	$ 7,943,982.21	
Legal Fees and Executive Remuneration	85,240.00	
Directors' Fees	21,000.00	
Provision for Accidents	125,000.00	
Provision for Depreciation and Renewals	1,927,153.27	
Provision for Income Taxes	943,265.89	
		11,045,641.37
		$ 4,395,600.93
Deduct—		
Interest on Bond Debt	$ 1,631,573.89	
Bond Discount and Conversion Expense written off	60,854.42	
		1,692,428.31
Net Profit for the year		$ 2,703,172.62
Deduct—		
Dividends on Preference Stocks of Subsidiaries:		
5% Cumulative Perpetual Preference Stock	$ 349,200.00	
6% Cumulative Preference Shares	300,000.00	
		649,200.00
		$ 2,053,972.62
Deduct—		
Dividends on Class "A" Shares for the year ending June 30, 1939		2,000,000.00
		$ 53,972.62
Add—		
Earned Surplus—balance at June 30, 1938	$ 1,205,907.86	
Deduct—Adjustments in respect of depreciation for prior years	142,496.87	
		1,063,410.99
Earned Surplus—balance at June 30, 1939		$ 1,117,383.61

Dosco Iron Run Nears Capacity

From Our Own Correspondent

MONTREAL.—Dominion Steel & Coal Corp.'s output of pig iron at the Sydney plant during August totalled 23,000 tons or the same as in the preceding month. However, compared with August last year, current operations show an increase of nearly 65%.

For the first eight months of the current year the Sydney plant turned out 155,000 tons of pig iron. This compares with 184,000 tons for the like period last year. In the last quarter production has totalled 70,000 tons, compared with 46,000 tons in the same period of 1938.

Grain Traffic Will Reduce C.N.R. Deficit

Cash Deficit May be Reduced to 1937 Level

BETTER POSITION

From Our Own Correspondent

MONTREAL. — Better earnings are in prospect for the Canadian National Railways.

An increase in Canada's industrial and agricultural production in the immediate future is expected. This means more traffic and higher earnings for the railways, of which the C.N.R. will get its share.

Results for the current year are certain to be better than last year. It is even possible the cash deficit will be reduced to the 1937 level of $42.3 millions.

Improvement of $5 Millions

Results for the first eight months of the year show a net revenue for the system of $347,712 as against an operating loss of $5,116,693 in the same period last year, an improvement to date of almost $5.5 millions.

In each of the first seven months of the year the C.N.R. reported an increase in net revenue, but results in August were disappointing. Despite a rise of $803,927 in gross earnings, net declined $22,046 due to an increase of $825,973 in expenses.

For September the C.N.R. should report a marked increase in net revenue over the $2.6 millions shown in the same month last year. Gross earnings rose $3.2 millions in the first three weeks of the month. Operating expenses will not show a corresponding increase

Outlook Is Good

The substantial increase in earnings in recent weeks is due largely to the big wheat movement. Because of the larger crop in western Canada this trend should continue, especially as most of the crop is expected to move eastward.

Other lines of traffic should also increase as Canadian industries get into production on war supplies. There may not be any large movement of supplies, other than foodstuffs, for shipment overseas before the end of the year, but there should be an increased movement of raw materials.

Greater activity in the iron and steel industry will mean additional tonnage for the C.N.R. There will also be a larger movement of coal since industries engaged in making war supplies will use more.

No estimate can be made of the additional traffic that will accrue to the Canadian National. This depends on many things, such as the size of orders placed in Canada by the Allies. However, as business activity increases there will be more traffic for the railway.

Situation is Different

The position of the C.N.R. today is vastly different from what it was in the Great War. In fact, there was no Canadian National Railway in 1914. At that time the Canadian Northern and Grand Trunk Railways, the major constituent companies now comprising the C.N.R. system, were still private concerns. In addition, there were a large number of small companies operating railway lines.

At the outbreak of the Great War neither the Canadian Northern or the Grand Trunk were in a sound financial position. Furthermore, both were in the throes of expanding. The war, of course, brought enormous problems and it was due in part to financial difficulties that arose during this period that the Canadian Northern and Grand Trunk were taken over by the Dominion Government.

Today, the C.N.R. occupies a much more important place in the Canadian economy than did the Canadian Northern and Grand Trunk in 1914. Since 1932 the two transcontinental systems together with some smaller ones have been consolidated and fully integrated. As a result the C.N.R. is in a position to render greater transport service than did the Canadian Northern and Grand Trunk during the last war.

Manufacture of munitions is also likely to be a function of the C.N.R. Railway shops were used for this purpose during the Great War and are almost certain to be converted to this purpose once again.

C. N. R. Earnings Statement

Month of August	1939 $	1938 $
Gross earnings	16,355,456	15,551,529
Oper. revenue	15,717,253	14,891,280
Net revenue	638,203	660,249

Eight Months Ended August	1939 $	1938 $
Gross earnings	119,600,634	112,487,805
Oper. revenue	119,252,922	117,604,498
Net revenue	347,712	d5,116,693

d=deficit.

Faith in Canada's Future

To lend money on Canadian real estate away back in 1855, when this Corporation was first established in business, required more than good judgment—it required faith. The future of Canada was obscure. Never in the years that have followed has that faith wavered. It governs the Canada Permanent policy to-day.

CANADA PERMANENT Mortgage Corporation

Head Office 320 BAY ST. - TORONTO

Assets Exceed $68,000,000

Power Demand On Wider Scale

Central Stations Report Big Gain in August Over Last Year

From Our Own Correspondent

MONTREAL.—Reflecting increased industrial activity in the Dominion central electric stations produced 2,291 million kw.h. of electrical energy during August. This contrasts with 2,205 million kw.h. in July and 2,076 million kw.h. in August last year, according to the Dominion Bureau of Statistics.

All five economic areas report a greater production in August than was the case in the same month last year, with the exception of British Columbia which recorded a moderate decline. Figures on output for August and for the eight months ended August, with comparative figures for last year, follow:

August (Thousands of Kilowatt Hours)

	1939	1938
Maritimes	79,216	74,100
Quebec	1,235,703	1,089,720
Ontario	651,918	594,097
Prairies	155,882	146,879
B. C.	168,706	171,105
Total	2,291,425	2,075,901

Eight Months Ended August

	1939	1938
Maritimes	573,214	566,594
Quebec	9,816,925	8,796,242
Ontario	5,141,784	4,830,486
Prairies	1,424,058	1,307,050
B. C.	1,283,636	1,281,680
Total	18,239,617	16,782,052

Consumption Higher

Figures on consumption which more closely reflect industrial and business conditions show that consumption this year has been on a greater scale than a year ago. In the case of British Columbia and the Maritime Provinces, the increase is not very marked, but in the other three sections rather substantial gains were recorded.

Eight Months Ended August (Thousands of Kilowatt Hours)

	1939	1938
Maritimes	561,245	555,928
Quebec	7,497,591	6,875,176
Ontario	6,177,288	5,580,281
Prairies	1,436,198	1,318,854
B. C.	1,270,555	1,269,034
Total	16,942,877	15,599,272

More Secondary Power

Deliveries of energy to electric boilers show a further gain in August consequent upon the increased operations in the newsprint industry. Deliveries totalled 1,640 million kw.h., as against 1,518 million kw.h. in August last year.

Exports to the United States during August totalled 177,834 kw.h. bringing the total to date up to 1,296 million kw.h., as against 1,183 million kw.h. for the like period of 1938.

CANADIAN SECURITIES

Dominion and Provincial Government Bonds
Municipal Bonds
Public Utility and Industrial Financing

DOMINION SECURITIES CORPORATION LIMITED

TORONTO MONTREAL WINNIPEG VANCOUVER NEW YORK LONDON, ENG.

15 King Street West, Toronto

G. TOWER FERGUSSON & CO.

(Established 1888)

MEMBERS THE TORONTO STOCK EXCHANGE

Analysis of Holdings Given Individual Attention

11 JORDAN STREET ADel. 7081 TORONTO, ONT.

THE ONTARIO LOAN AND DEBENTURE CO

LONDON, CANADA Established 1870

DEPOSITS ACCEPTED — 5-YEAR DEBENTURES ISSUED

Deposits and Debentures (31 Dec., 1938), $11,074,577

Capital (Fully Paid), $2,000,000 — Reserve Fund, $2,400,000

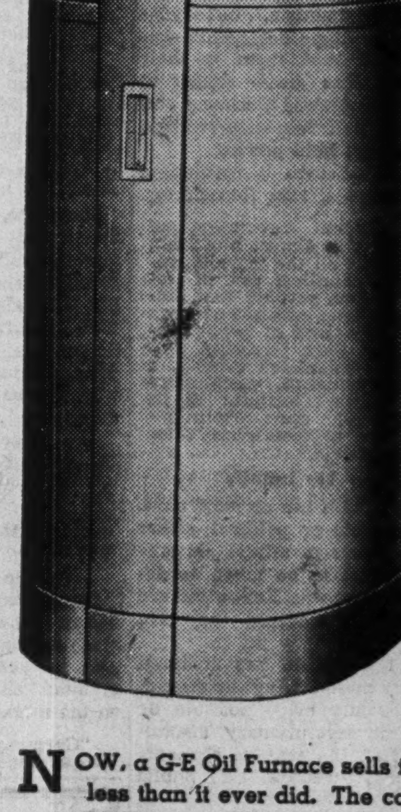
Upward Trend Reported In Building Permit Total

Urban building in Canada was trending upward when war fell, it is shown by the report for August of Dominion Bureau of Statistics on value of building permits issued in 58 Canadian cities. The August figure showed an increase of nearly 6% over the same month last year, and the total for the first eight months of the year now stands 5% above the equivalent period of 1938.

In the 58 cities covered, new building authorized totalled $6,159,468 in value, compared with $5,829,984 in August, 1938. Total for January-August inclusive this year is reported at $39,807,093, compared with $37,897,396 for the first eight months last year. Both the August and the cumulative totals are higher than in any year since 1931.

Don't Go Through Another Winter Without a

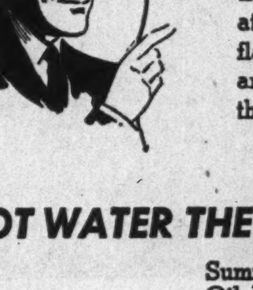
Money-Saving GENERAL ELECTRIC OIL FURNACE



END YOUR HEATING WORRIES

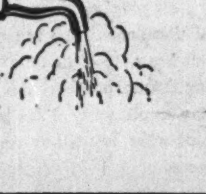
With a G-E Oil Furnace you can keep your home comfortably warm in the coldest weather. It will automatically maintain any desired temperature.

SAVE 12 to 37% ON FUEL BILLS



Owners report substantial savings in heating costs because the General Electric gives many times finer atomization of oil — the flame burns *downward*— and heat usually lost up the flue is utilized.

HOT WATER THE YEAR 'ROUND



Summer and winter, the G-E Oil Furnace delivers a continuous supply of hot water for domestic purposes — at surprisingly low cost. Here is an important reason for installing your G-E Oil Furnace *now*. You can buy on convenient terms through the Dominion Home Improvement Plan.

NOW, a G-E Oil Furnace sells for less than it ever did. The continued G.E. research and engineering skill have developed a unit that gives an even higher year 'round efficiency than ever before.

MAIL THIS COUPON TODAY

CANADIAN GENERAL ELECTRIC COMPANY LIMITED

Canadian General Electric Co., Limited
212 King St. West, Toronto, Ont.

Please send me illustrated booklet "No other furnace can compare" (FL-155), describing the G-E Oil Furnace.

Name ....

Address PW-149

What We Are Fighting For

Nazi Overlords Seek Complete Overthrow of Established Order

What are we fighting for?

More than one person in these recent days has asked himself just what the war is about—why Britain is in it, why Canada is in it.

To say that we are fighting the Germans is not enough. The Canadian people have no quarrel with the German people.

To say that we are fighting National Socialism is not enough. The Canadian people have no desire to go to war to change the form of government in another nation, simply because we dislike that form of government or the leaders who are administering it.

We Are Threatened

If we are fighting Hitler and Naziism, it is because Hitler and his crew of international gangsters threaten something that we hold dear and are ready to protect with our lives and our treasure.

Hitler does menace us. That much ought to be clear to everyone. But the exact nature of the threat has never been put more clearly than by an ex-Nazi, who has written a book to let us know what Nazi objectives are. The writer is Hermann Rauschning, once a top-flight Nazi and president of the Senate of Danzig. Now he lives, disillusioned, in exile, where he hopes and prays that Hitler will not destroy his beloved Germany.

True Aims Exposed

In "The Revolution of Nihilism" Herr Rauschning gives a shrewd and forthright interpretation of the true aims of the Nazi revolutionaries. Those who have read the book are astounded and excited by its lucid, clear-cut exposition of the aims and techniques of the German leaders.

It can be said with confidence that if every thoughtful Canadian were to read this book there would never be any question in anyone's mind as to what the war is all about.

Rauschning minces no words. The Nazi overlords of Germany, he shows, are men of infinite ambitions which they are prepared to achieve by any means. They are utilizing revolutionary techniques, because their aims are revolutionary. They seek the utter destruction of every phase of the established order, hoping to climb over the ruins of society to world dominion.

Their aim is nothing short of a redistribution of the world.

Contempt of Democracies

The Nazi élite, Rauschning makes clear, looked upon Britain, France and other democracies as tired nations unwilling to resist the aggressor by force, too lazy and degenerate to resist if they could. No moral principles guide them in their march. Lies and propaganda and treaties are merely weapons in their warfare and they exult when stupid politicians and people in other countries believe their lies, accept their assurances or rely upon their treaties.

They have made all classes in Germany their dupes. In the most amazing "suicide" in history the wealthy landowners and industrialists, and the army chiefs, played into Hitler's hands until they were powerless to check him.

Hitler's Nazis have only the most utter contempt for the working classes to whom they promise a new order. They have destroyed the middle class. The Nazis rose to power only to betray the nation.

Seeds of Destruction

Their major attribute is the quality of "dynamism," but dynamism will be their destruction because it will lead them to their destruction. The grave danger is that they will destroy Germany and the world in their desperate struggle to achieve and hold power.

National Socialism is revolution, pure and simple, says Rauschning.

"The national revolution of January 30 was almost bloodless; but there was all the more bloodshed, from countless acts of terrorism, in the periods that followed, and these acts of terrorism had not the excuse of revolutionary passion. Such terrorism produces cool, calculated cruelty, a horrifying cynicism, much more pronounced and harmful in its effect than such open revolutionary violence as took place after the rising of 1918."

Aims Are Infinite

This revolution has no fixed aims, either economic or political, either in home or foreign affairs. Its programme is not to be taken as declaring its purpose. Nazi aims are indefinite only because they are infinite.

National Socialism has achieved so much by mesmerizing the masses, a process "only made possible by the general revolutionary disintegration of all the genuine elements of national welfare in public order."

Having achieved supreme power in Germany, what are the ambitions of the Nazis outside? Rauschning makes it clear that they are out to gain whatever power they can win in the world by using the same tactics of violence and destruction.

Redistribution of World

"Since . . . all space in Europe is overfilled, and even territorial conquest in Europe could not remove the pressure of population, the 'dynamic' policy must never rest content with frontier revision and partial solutions, but must seek a general solution by a 'redistribution of the world.' Only so, we are to understand, can the problems be really solved with justice, giving nations territory in proportion to their vitality, territory which must be taken from the dying nations. Simply for aims of this sort, the sacrifice of the lives of another two million young men may yet again become justifiable—so the Fuehrer has declared."

At first the National Socialists felt that England ought to be included as an equal with Germany and Italy among European powers. It ought to be invited to join in the general redistribution of the world by force. Later they concluded that England could be counted out. England, the Nazis are sure, can no longer hold her ground if the German-British issue is put to the test of fire and sword. "That is the great and decisive improvement in Germany's position as compared with 1914. England is now only a pseudo-power. It will be well, if possible, to make an end of her fictitious power by peaceful evolution. But if there must be an appeal to arms there is no need to fear it. The very day war broke out it would become manifest that Great Britain had already lost her world dominion."

Britain is Chief Target

The "upward striving" nations — Germany, for example — can win through to world dominance, the Nazis feel, because the other nations have no will to resist. Britain is the chief target because of the vastness of her possessions.

"Scarcely any other opinion is given currency by the National Socialists with such diligence as their belief in the doom of the British Empire; they regard its downfall as already an accomplished fact.

"It has long been a foremost political axiom of National Socialist foreign policy that England can no longer venture on a war and that she may therefore be offered any affront with impunity."

"France, too, is a dying nation," the Nazis hold.

Such are, declares Rauschning, the broad lines of the colossal foreign policy which correspond dimensions and forcefulness with the colossal buildings and rites of the dictatorial régime. Only these dimensions, as Hitler has declared outright, justify the effort of a whole nation until exhaustion threatens.

"If ever a phrase spoken by National Socialists was entirely candid and in accordance with the facts, it was Goebbel's phrase about the rare moment having come for the redistribution of the world."

Lose on Moral Front

Rauschning's book was written before the war began. But he already foresaw the failure of Hitlerism to achieve its daring programme. Hitler has lost the battles on the moral front.

"Germany has set herself in the wrong even where she had the advantage of unanswerable moral claims for the restoration of her sovereignty. She has given the moral advantage to her enemies upon every outstanding issue, and provided them with startling arguments in the 'moral' war against her, with which to weaken a unity of her people in any new armed conflict.

"When Hitler drove into the snow-covered streets of Prague . . . his triumph was already the greatest of moral defeats. The moral trump cards had been played into the hands of his opponents, whose cause was just. He had set himself once and for all in the wrong, and had destroyed the German case."

Rouses Adversaries

Moreover Nazi aggressions had aroused new spirit in both Britain and France.

"This coalition (France and Britain) has now become a reality of the first political importance. Its backbone is a new France, which has experienced remarkable recovery, almost a national rebirth, instead of the revolutionary dissolution expected by Hitler. This coalition is led by an equally changed Great Britain, aroused out of a certain indifference and now, rather late but all the more energetically, carrying out an enormous programme of rearmament, including, in spite of past tradition, the introduction of universal military service. As regards these two nations, it looks as if National Socialist policy with its 'psychological war' and its tactics of 'universal unsettlement' has attained the exact opposite of the result aimed at. No one will today venture to describe France as a dying nation or to speak of Britain's lost empire."

Foresaw Russian Alliance

Rauschning foresaw that a desperate Nazi régime, balked in its aims, would turn to a Russian alliance. "A German-Russian alliance means simply the confluence of two streams which run toward the same sea, the sea of world revolution." But Rauschning feared that a Russian alliance would give the Nazis a partner more dangerous as such than as an enemy.

He does not feel Germany can fight a long war. He asks:

"Does not excessive planning and preparation imply a total exhaustion of the nation before the emergency arises?"

And he answers:

"The signs of exhaustion and crippling of private enterprise are already clearly to be seen . . .

"Wars of long duration are impossible in Germany."

Real Nazi Aims

In these words does a German writer give us the clearest insight we have yet had into the real aims of the Nazi revolutionaries:

"The essence of the German mission today is the consciousness of being the chosen people with a permanent and universal task. Germany no longer menaces Britain; she is seizing the leadership only because the British nation has become feeble and weary.

"The actual political aim of National Socialism is a domination stretching far beyond all national limits.

"At the back of Germany's continental empire stands the rule to absolute dominion of the world.

"The German aims are indefinite today only because they are infinite.

"National Socialists in high places declare that this is one of those periods that come only at intervals of centuries—a period of revolutionary change in the world in which, amid the general insecurity, every resolute stroke has good prospects of success.

"The ultimate aim is the maximum of power and dominion. The means is general subversion—the destruction of the existing order so as to have a free hand for the building of a new and greater dominion.

"Among the educated National Socialists such as those in Hess's circle, there is an unshakeable conviction that the coming epoch of world development will witness a German domination whereas the last epoch was one of English domination."

Can the Nazis bring it off? Rauschning thinks not. Naziism can only bring tragedy to Germany.

"This much is certain, that the present course will end in Germany's ruin. The only thing that is not certain is the actual road that will be pursued to ruin and the number of victims with which it will be strewn.

"The only chance of the secure re-establishment of peace lies in the removal of the National Socialist régime."

"The Revolution of Nihilism" is published by Longmans, Green & Co., Toronto. Price is $3.50.

Hitler, The Ruthless "Deity"

What manner of man is Adolf Hitler, this megalomaniac genius who has plunged the nations into war in an effort to achieve world disorder, from which his Nazis hope to emerge masters of the world?

Hermann Rauschning, who has known Hitler for many years, and was for some time a co-worker with him, gives many sidelights on the character of the paperhanging Caesar. A few of his illuminating comments are quoted:

"Hitler is deliberately and unceasingly held up to the masses as a deity . . . The Messiah-figure of the leader is the indispensable centre of their (the Nazis) propaganda. . . .

* * *

"Hitler's realism deceives the onlooker. This man, who can calculate with such icy clarity . . . who feels his way forward . . . with mastery, who is constantly testing and trying the weak spots—a man who realistically examines everything—surely cannot at the same time be a fantast simply out to overturn everything, trusting himself to a limitless movement that is to bear him to some dimly sensed new order!

"And yet this duality is in fact the essential characteristic of . . . great 'destroyers' . . . Men of this type are 'inventive in destruction'—they have a flair for the weak points, the points at which they can apply pressure in order to bring down the old order. And it is their destiny to do this until a really creative will opposes them or until their environment is exhausted.

"These are the men of great tactical gifts. They are also the men possessed of demons, of second sight, dreamers urged on by visions, who regard themselves like unto gods, and who live in an unreal world in spite of the realism they can assume on occasion.

* * *

"Hitler's political declarations always serve as political weapons; they are never simple communications of fact or even of a purpose. The practical politician will thus be more inclined to ask himself what is the political purpose of Hitler's peace declarations and peace pacts, than to accept them at their face value.

"Hitler told me what was his view of the value of treaties. He was ready, he said, to sign anything. He was ready to guarantee any frontier and to conclude a non-aggression pact with anybody. It was a simpleton's idea not to avail oneself of expedients of this sort because the day might come when some formal agreement would have to be broken. Every pact sworn to was broken or became out of date sooner or later. Any one who was so fussy that he had to consult his conscience about whether he could keep to a pact, whatever the pact and whatever the situation, was a fool. Why not please other people and ease one's own position by signing pacts, if the other people thought that got them anywhere or settled anything. He could conclude any treaty in good faith and yet be ready to break it in cold blood the next day if that was in the interest of the future of Germany."

* * *

Hitler brings, says Rauschning, "a sort of medium's gift into touch with the elements of a problem and to interpret them." He has too "the iron resolution, the ruthlessness and harshness, wrung from a nature inclined to slackness and in need of quiet for contemplation, and accordingly liable to be carried to excess.

"The gift Hitler unquestionably possesses of waiting for the right moment, a gift which has been misinterpreted as irresolution and passivity, is only the expression of his inability to come to a decision until an inner voice speaks to him on his problems, and he has the sense that the right moment has arrived. He has the two contrasting qualities of a supreme capacity for cool calculation and the irrational gift of intuition. He has the revolutionary temperament. At any time when he is without all this, his technique is unfruitful, and he makes mistakes. It is always opposition, an enemy, that awakes these qualities. This arouses his sense of superiority, on which he is dependent, his confidence in his giant's power over the 'dwarfs' around him.

"Hitler can no more make peace in Europe or even accept it, than he can make an end of his own dynamism. The one depends on the other."

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Various Factors Help Expand Retail Trade

Confidence Grows With War Orders and Better Employment Stimulating Business — Prices Showing Some Advance

Strong yet orderly buying of all kinds of goods at retail stores marks the third stage of Canadian business since the outbreak of war, four weeks ago.

The first effect of the declaration that the country was again at war, was almost paralyzing. People in hundreds were so stunned that buying was about the last thing considered. This was evident from the large department stores down to the corner candy shop. Before the first week had passed, however, there was a decided change.

Realization that war always brings higher prices in its wake, however, ultimately woke citizens out of their coma. Business soon made up the volume it had lost in the first few days. Demand was concentrated largely on a few staple articles. Among them, sugar, flour, and woollen clothing were especially in demand. Retailers mindful of their other customers tried to conserve their supplies.

One merchant told of a lady customer who had been in the habit of buying five pounds usually at a time. Occasionally during the preserving season she might buy as much as 10 pounds. The second week of the war she walked in and asked for 200 lb. One large store reports selling over $5,000 worth of sugar in one day. The main reason for much of this buying was the fear of a sudden rise in prices, which, incidentally has not been realized yet in any general way. Before the war budget was announced there were also expectations that the sales tax would be increased on everything. These predictions also failed to materialize. On the other hand, there were some very definite upward moves. Silk stockings, for instance, advanced about 50% in price, owing partly to the premium on United States exchange, and partly to the higher prices ruling for raw silk. Coal too was affected by the rise in exchange rates.

No Scarcity

However, it was soon realized that if there was no hoarding there would be no scarcity and that in most cases price advances would be gradual. The demand became less panicky. Buyers settled down to steady accumulation of the goods they are likely to need in the coming months.

Apart from the expectation of higher prices, however, there were other causes at work.

One was the feeling of greater confidence among the general public.

Statements in responsible quarters that Canada's great part in the war would be the supplying of enormous quantities of foodstuffs, munitions and equipment brought the realization that as a result, business must expand. Enlistments in the active service forces have absorbed many who had been unemployed for some time while industrial employment is also increasing from other causes. For instance, one of the large flour milling companies stated that as a result of the great rush of orders they had been forced to take on extra clerks. This condition has removed from the minds of many people who were in good jobs the uncertainty regarding employment. They are beginning to feel that if they lose the job they have, it wouldn't be long before they would have another. Consequently they are more willing to spend than they were a few weeks ago.

Then again there is the large western crop. While farmers are holding their wheat back in considerable volume, yet some new money has been out into circulation and this is making itself felt in retail trade.

Large numbers of weddings too, have meant the establishment of some new homes. Demand for furniture has shown some improvement from this cause. Reports from dealers handling household furniture varied from no change to a little better.

Sales of hardware have been stimulated by the renovation and improvement of industrial buildings. Factories are being put into condition for munitions making. This has brought in a good demand for various materials. Maintenance equipment too is selling well. Another department in which there has been considerable buying, is builders supplies. These in many cases are not needed at present but building contractors having contracts on hand are taking steps to protect themselves against advances in price. Generally speaking the hardware trade is well ahead of last year.

What of the Future

What some merchants are wondering now is, will the present demand for woollen clothing, boots and shoes, etc., be followed by a lull, once the present requirements are satisfied. Will retail trade experience a period of bad business while the supplies being bought at present are being absorbed? Some keen observers say they do not think so. They point out that most of the buying now is from those who had the money previously but were afraid to spend. Apart from these, however, they say there are thousands getting employment who have had little or nothing to spend. As the wages from the war contracts are distributed it will enable these to come in and buy badly needed clothing and other goods. This will fill the gap that otherwise might follow the recent wave of buying.

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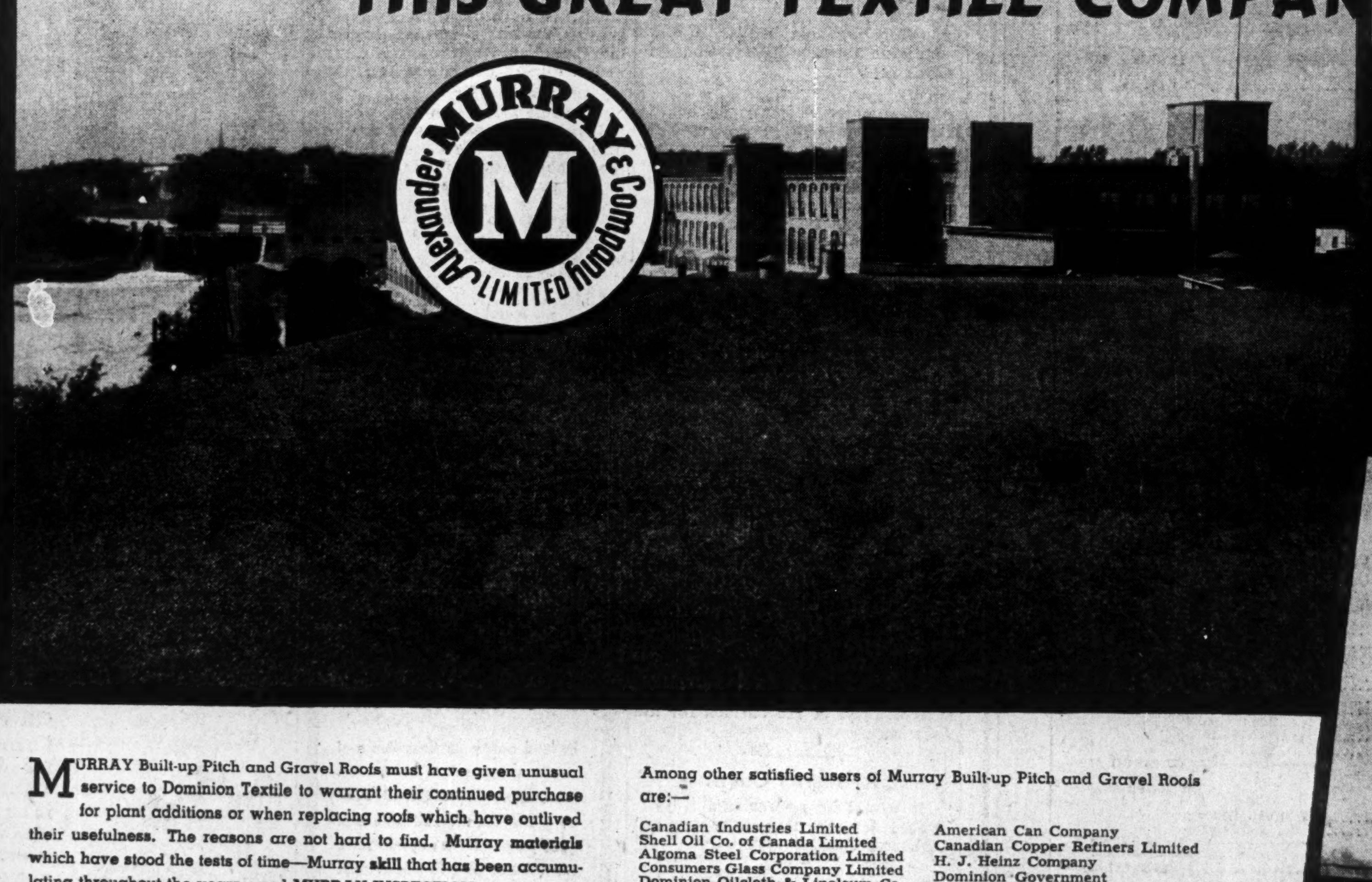

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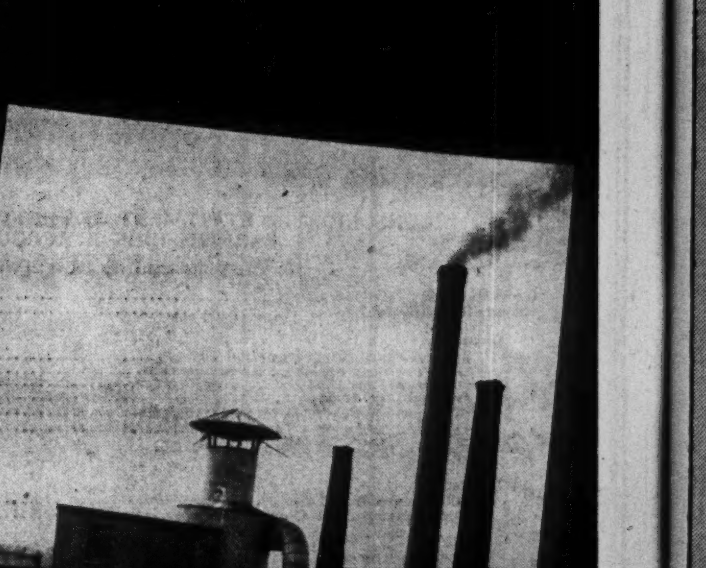

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Canada Has Developed Mighty Sinews of War

British Empire's Breadbasket in the Last Great War, Senior Dominion is Now Also Chief Overseas Arsenal

By RONALD A. McEACHERN
Staff Writer, The Financial Post

Breadbasket of the Empire was the old name for us. But as Canada goes to war this time she is called, Arsenal of the Empire.

There is much meaning in the change. What have we Canadians learned from the last war?

Canadians today are tragically familiar with war. Especially in recent weeks, memories of 1914 are, for millions, as vivid as a friend's face.

But it's because those memories are so vivid that we Canadians should have another look at this problem of war.

All of us are by this time familiar with the role we are being called upon to play, a very different role from the last time. Canadian troops, of course, have their job to do. But the main task expected of Canada is to be the Empire arsenal, to supply vast amounts of food and ammunition, the fuel and the machinery of victory.

How well is Canada going to do that job?

Greater Stability

The Canada of 1914 and the Canada of today are very different. In 1914, the Dominion was a farming community, little more. She had comparatively few factories and they were devoted mainly to supplying the needs of a farming community. Every Canadian knows that Canada is far more than that today. Our mining industry makes Canada one of the world's greatest producers of gold and base metals. Canada is one of the world's greatest producers of forest products. And we have great factories stretching from coast to coast.

Canada is no longer a nation of one great dominating industry. We are now a nation of world importance in three or four great industries.

That is extremely important in two respects. It gives the Dominion greater business stability and prevents its entire economic life from suffering the effects of ups and downs in any one industry. Second, it makes it possible for Canada to contribute much more than food and men to the war effort.

In 1937, the last year for which these figures are available, Canada's farm output was valued around $1,039 millions, compared with $725 millions in 1914, an increase of around 43%. But in the same period value of Canada's manufactures soared from around $1,200 millions to $3,623 millions, an increase of over 300%.

The value of Canada's mineral production increased four times, from $129 millions to $445 millions.

Much more significant, however, of the fundamental change taking place in Canada's national life is this: In the period 1914 to 1938 Canada's imports have increased hardly 30%, from $619 millions to $799 millions. But our exports increased 148%, or from $431 millions to $1,070 millions.

Very important for wartime also is this consideration. Admittedly, good prices for farm products are a fine stimulant of production. Admittedly, scientific and mechanical methods of farming are changing old standards of productive power. But Nature bends slowly and unwillingly to man's needs. Machines, on the other hand, are his complete slaves. Our output of food for the Allied armies and for Allied citizens at home and overseas still depends on sun and drought. But there is no limit to the number of machines that can be built.

How much Canada can add to her productive farm acreage is obscure. But evidence before the "Rowell" Commission suggested that substantial further increase in acreage is unlikely to be the means of greatly increased agricultural production.

Can Raise Output

In other words, Canada can vastly increase the volume of her manufacturing output, though increase in the agricultural field is definitely restricted.

Perhaps the most important single factor in the Canadian business picture today is that we are entering war with one of the greatest wheat crops of our history. Only on three occasions in the life of the Dominion have we had a crop as large as that now indicated. Those years were 1923, 1927 and 1928.

But here is the most important point. The average yearly value of the Canadian wheat crop over the past 10 years has been $180 millions. Last year it was better than average—at about $190 millions. This year, as closely as can now be calculated, it appears that our wheat crop is going to be worth around $300 millions—perhaps considerably more than that by the time it is all sold, one prediction being as high as $450 millions.

This prosperity—this rift in the clouds of depression—for the Canadian wheatgrower is extremely valuable to the nation in many ways. It helps the farmer shift some of the burden of accumulated debt. It will make it possible for him to buy new machinery, repair his buildings, fix up his home. This comparative prosperity gives the Canadian farmer the chance to get into good shape for greater and more efficient production in coming years if the world requires.

Better Prepared

The second important difference between 1914 and today has to do with Canadian industry and finance. In 1914 business was flabby and full-blown. Canada was coming to the end of a period of sweeping prosperity, when business had been easy to get, when it seemed as if expansion and prosperity were going to last forever. In fact, I believe posters inducing immigrants to come to this country from other parts of the world were quite certain that depression would never touch Canada.

By the outbreak of the last war the boom was breaking. The era of railway building was coming to an end. Economic troubles of many kinds were brewing. Canada was heading straight into depression. But war intervened.

Today Canadian business has just emerged from the greatest depression of modern times. And not in a hundred years has a nation or its business been so well conditioned for war as Canada today. Conditioned in two ways: In the first place, Canadian industry today is, for the most part, industry that survived the great depression. In order to survive, and to keep on surviving, industry had to be tough, strong, efficient; its leaders alert to changing needs and new opportunities. In the second place most Canadian business leaders today are men who fought the last war, either on the military or on the economic front. They know a lot about war. Very important, too, is the fact that as Canadian business emerged from the past depression, it didn't start building up to another boom. It didn't get a chance. Ever since 1929 there has been hardly a month when business storm signals were not hanging out somewhere. There have been a succession of economic and political unheavals and, of course, always the recurrent threat of war increasing in certainty and in frequency.

It seems impossible to find more dramatic evidence that business was prepared—that it had learned something from the last war—than to glance into the stock exchanges, the most sensitive barometers of what businessmen think.

Doors Locked

August, 1914, the stock exchanges locked their doors and kept them locked for six months. Frantic investors ran through the streets, stock certificates clutched in their fists and sold to anybody who would buy at almost any price.

Contrast that with Sept., 1939. The stock exchanges stayed wide open on this continent. Plans to meet the outbreak of war had been prepared a year in advance. But they weren't needed. Investors were cool, their trading orders precise. For months they had known almost exactly what they would do the moment war actually came. That was 1939. Business had learned. Businessmen knew about war. In 1914 it took six months to get the financial world readjusted. In 1939 it didn't take six minutes.

Glance at what Canadian industry can do for the Allies at war. Take Canada's dynamic youngster industry, mining, the industry which has largely replaced farming as the means of expanding our frontiers, carving out of the wilderness great new areas of community life, and making them wealth producers for the nation.

The mines of Canada have two major jobs in wartime. Gold is the essential war material. Hitler has been saying gold is no good. That's just sour grapes. You notice that theft of gold supplies is the first thing he does in any conquered country. Canada's continued production of gold during war is just as important as the growing of food and the making of shells. In 1914 Canada had less than a score of little gold mines. That year they produced less than $16 millions in gold. Last year, Canada's gold mines produced more than 10 times that amount—almost $166 millions.

Register Great Gains

There is the same story of growth with the base metals—the metals that are so vital to the making of war supplies. In the years between 1914 and 1939, Canada's production of nickel has increased four times; of copper almost six times, and her production of lead, 12 times.

Canada produces 88% of the world's nickel, hence definitely dominates the market.

Look at Canada's newest big industry, crude oil production in western Canada which this year will turn out more than $8 millions in a vital war commodity.

Look at the phenomenal growth in our capacity to manufacture both the things of peace and of war.

The Canadian iron and steel industry can turn out at least three times as much now as in 1914. There are only four companies in the field but they are among Canada's industrial giants. Dominion Steel and Coal Corp. in Nova Scotia gets its coal in Cape Breton Island, its iron ore from the vast Wabana fields in Newfoundland. The other three companies, Steel Co. of Canada, Burlington Steel, both at Hamilton, and Algoma Steel at Sault Ste. Marie are located on the Great Lakes waterway where they get low cost transportation for iron ore from Minnesota and coal from Pennsylvania. Algoma Steel has just started to produce iron ore from its New Helen mine, the first iron output in Canada since 1923. By next year the proprietors hope to be producing high-grade iron ore from Steep Rock mines, now under preliminary development.

Steel Co. of Canada is still rumored planning very extensive additions to its already enormous plants, sums ranging from $10 millions to $25 millions being mentioned.

Almost the entire $100 millions investment in Canadian automobile plants has been built since the last war, making this one of the largest industries in the Dominion. A comparatively slight change converts these huge factories into speedy producers of many types of war materials.

Manufacture and maintenance of railway rolling stock, engines, cars, etc., is a vast Canadian industry with over $83 millions invested in it. This is another industry readily adaptable to making war materials.

There is the $80 millions electrical apparatus and supply business.

Then there are the scores of other smaller industries producing specialties of one kind and another, many of which can be doing metal work in Canada's war effort in very short notice.

Grouping the recent annual production of all Canadian factories conceivably capable of manufacturing war supplies—all iron and steel plants, electrical, brass, copper, aluminum and alloy products, cement, abrasives, glass, etc., chemicals and allied products, scientific equipment and precision small machines,—gives the vast total of $1,200 millions. The corresponding figures for 1915—the first year available—gives a total of around $375 millions.

In the years 1914 to 1939, the value of Canada's industrial production has increased three times. That does not tell of the increase in efficiency or in variety of Canadian industrial production. With her farms, mines and immense factories, Canada may well be called the arsenal of the Empire.

A third significant contrast between the Canada of 1914 and the Canada of today is the job we are now expecting of our political leaders. Like democracies everywhere our Government in the past 25 years has vastly widened the purview of its responsibilities. Today, our Government speaks of mobilizing the nation for war. Mobilizing brains, muscle power, factories, farms, mines, the entire productive and financial resources of the Dominion.

That's a completely new attitude. Speaking generally, the 1914 attitude of government—not the government then in power, but of democratic governments at large—their attitude was negative. Organizing the army was the concern that almost completely crowded out everything else.

Action, Prompt

Take this as an example of the new, positive approach of our Government. Only four hours after war was declared last month, Ottawa had passed orders-in-council to prevent unjustified rises in the price of food and other essentials through the Prices and Trade Board. Last time, it was not until November 1916 that the Canadian Government got around to providing a similar measure.

The new democratic point of view is direct; with the Government ready to step in and provide leadership and control wherever it will conceivably speed the arrival of victory. Ottawa has taken unto itself many new powers, not with the idea of wielding those powers wantonly, only to provide the machinery for the most rapid and most efficient protection of the Dominion and its citizens.

Compare this scrap of history with events today. Shortly after the 1914 war was declared, a group of private businessmen hurried to Ottawa and said, Canadian industry can make munitions of war. Let's see what we can do. Ottawa finally agreed.

This time Ottawa is not waiting for private businessmen to make the propositions, to lay down the terms or to organize the Canadian munitions business. One manufacturer went to Ottawa recently. He wanted a contract to make shells. Ottawa examined his plant. "We won't let you make shells," officials told him. "Your factory is more suitable for making tanks. We haven't any orders now. You go home and we'll call on you for tanks when we're ready." Stories like that could be duplicated scores of times.

War of Whole People

Modern war is a war of a whole people. It is not the private fight of the army, the navy or of any group of individuals. War in 1939 is the people's business and the Canadian Government says it is going to keep it the people's business.

And growing out of the new approach to war is this very fundamental point, a strong day and night contrast with 1914.

Today Canada is preparing for war, but also for peace. Canadians remember the tragic aftermath of the last time. Every citizen will know of some plant in his town or city that went dark and still at the end of the war, throwing scores out of work, and adding to the confusion and hardship of assimilating back into civilian life the men from overseas. Scores of Canadian factories were built or enlarged and hurried into production to produce some war material. When peace came it took years for many of them to get into peacetime production.

Ottawa today says it wants to protect Canadian business from exactly that kind of aftermath. Plants are being extended. Some new firms are being launched. But the avowed policy of the Canadian Government is to prevent hysterical and unwise overexpansion of plants, to deter manufacturers from throwing old business connections out the window because they have a war contract; to prevent the catastrophe that would be lying in wait for many of them with the announcement of peace. Canada has vast capacity for the production of war materials. She can afford to act soberly, and to remember that peace comes afterward. Furthermore, the excess profits tax of the war budget is supposed to take many of the attractions out of excited or greedy overexpansion.

And in another way, too, the Canadian Government seems to be thinking about peace while it prepares for war. It is starting out on a pay-as-we-go policy. The present generation has had some experience in shouldering the debts of others who have piled them up. Fathers today are not very willing to load their debts on their sons and their grandsons and greatgrandsons. The avowed policy of the Canadian Government is that so far as possible Canada is going to pay for her share of the war out of her pocket and not out of her grandson's.

Pay-as-we-go

Our increased production will provide us with the means to meet a very large share of our war costs both by way of home defense and contributions to the Motherland, just as utilization of idle labor in Germany met a very large portion of that country's rearmament cost. If we use this new wealth to pay the current bills, we can end the war with the minimum drain upon our resources, the minimum shock to our economy and the minimum weakening of our economic system.

Canada has new instruments of control which did not exist in 1914. The Bank of Canada, for instance, which last week mobilized the nation's invested wealth through the Exchange Control Board. That step was just as important to economic mobilization as enlistments are to military mobilization. It protects American and other investments in this country. It is a measure of conservation.

If the Dominion Government holds fast to the broad principles it has laid down, if it does an honest and sincere job of applying them, Canada can make a really decisive contribution to the struggle; she can look her soldiers and her sons straight in the eye, and at last, she can look forward with satisfaction to peace after the victory which will inevitably be ours.

Contrasts — 1914 and 1939

Then — Canada was a young farming country, her factories engaged almost entirely in supplying the needs of a farming community.

Now — Canada is a producer of world importance in more than half a dozen industries, with great factories from coast to coast shipping to all parts of the world.

Then — Canadian business was coming to the end of a period of expansion and prosperity and was heading right into depression when war intervened.

Now — Canadian business is just emerging from the greatest depression of modern times, hence is tough and efficient.

Then — The Canadian Government was taken by surprise, felt its duty was fulfilled when troops were mobilized.

Now — The Government has had the experience of war. With a much broader view of its responsibilities, it is mobilizing the entire resources of the nation.

Then — The Government thought only of winning the war.

Now — Mindful of the aftermath, last time, the Govern- prepares for peace as it prepares for war.

What Will Canada Do in This War?

In the last Great War, Canada—

—Raised 595,441 soldiers.

—Produced munitions worth $1,200,672,413, output increasing from $28,164 in 1914 to nearly $400 millions in 1917.

—Had over 675 different factories in 150 towns and cities engaged in turning out war supplies.

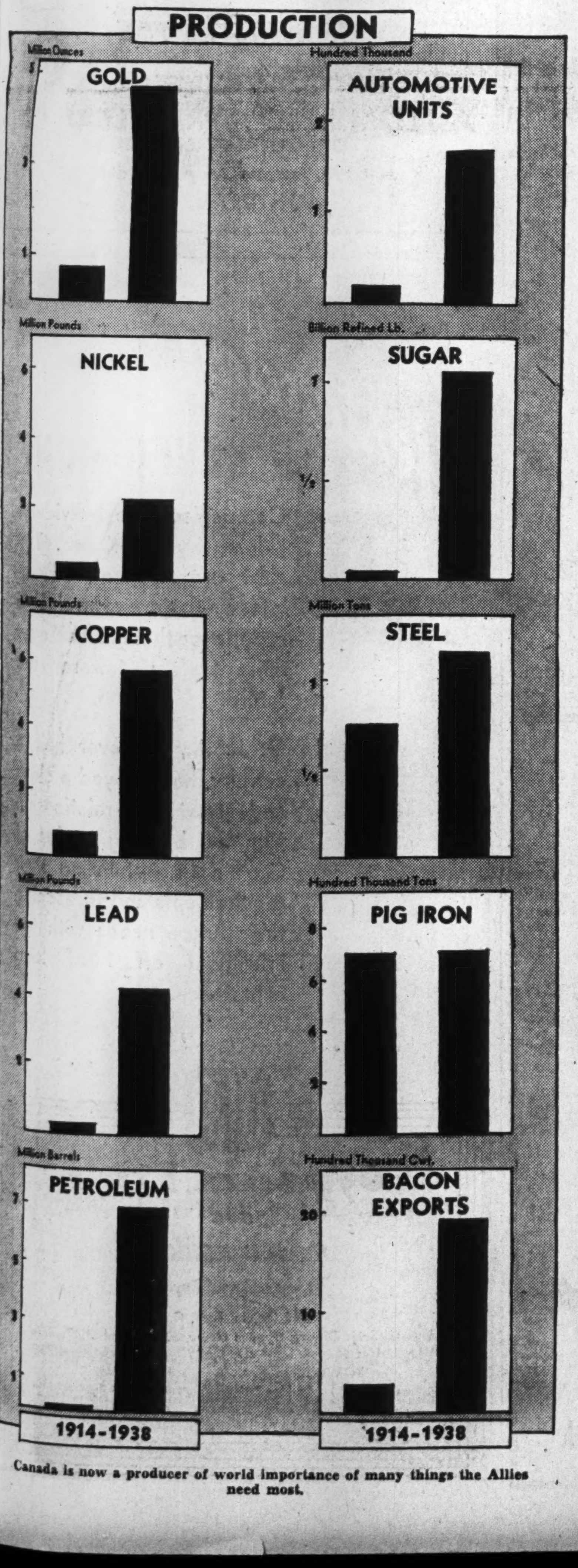
—Built over 2,500 airplanes.

—Piled up war debts for later generations.

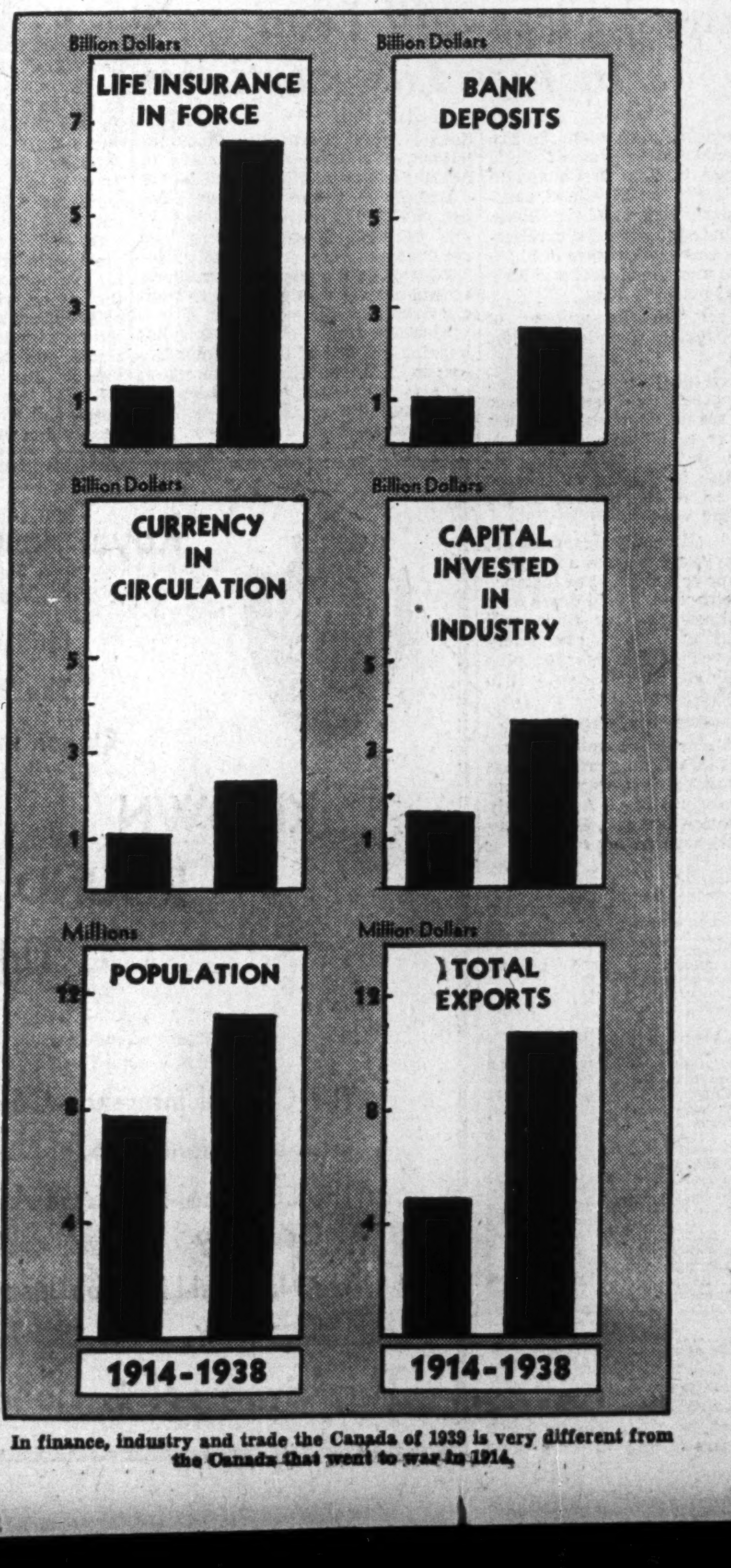
—Borrowed over $1,275 millions in war loans during the war years.

—Went into war with a total national debt of $303 millions.

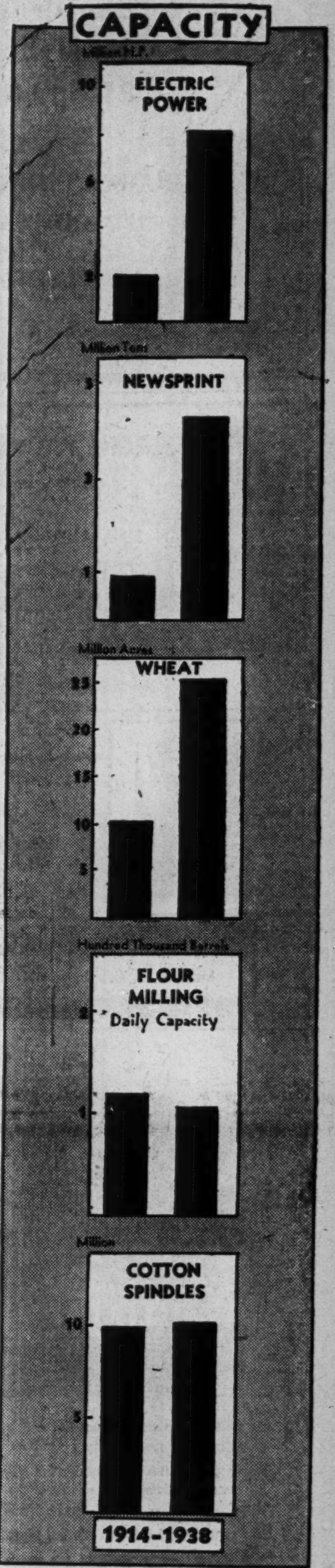
—Came out of war with a national debt of over $2,555 millions.



Canada is now a producer of world importance of many things the Allies need most.



In finance, industry and trade the Canada of 1939 is very different from the Canada that went to war in 1914.



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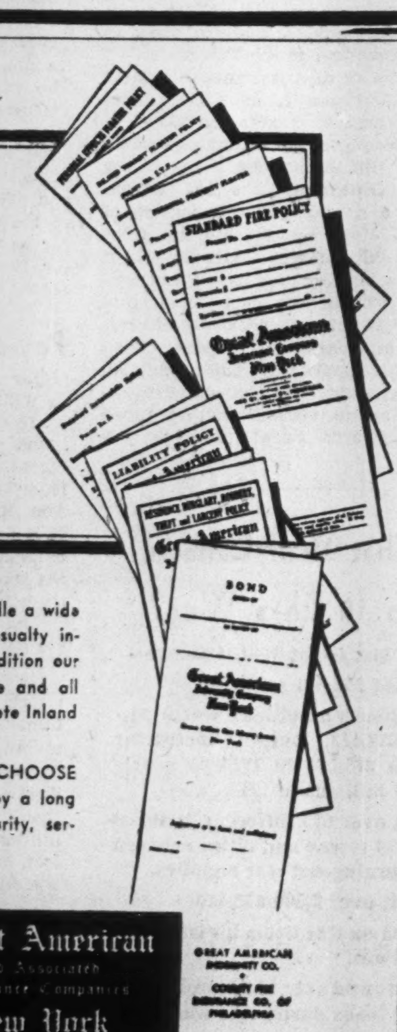

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Featuring Fire Prevention

War Brings Danger of Sabotage Fires

Fire Prevention Campaign Takes on Unusual Importance This Year

War brings an added importance to Fire Prevention Week this year. With Canada scheduled to play an important part in supplying all sorts of supplies and equipment to the allied forces, officials are alive to the need of preventing any interference by fire with productive efforts. Destruction of war materials or interruption of manufacturing operations would seriously handicap Canada's war effort.

Accordingly fire prevention officials of the Dominion and Provincial Governments as well as municipal fire chiefs have been making special efforts to reduce all fire hazards in the areas under their jurisdiction. They have also been taking pains to see that all fire fighting equipment is up to the highest stage of efficiency.

The big danger it is felt lies in the possibility of fires being set by agents of the enemy, a type of damage which comes under the general head of sabotage.

Fire as Enemy Weapon

In the coming months an increasing proportion of Canada's industrial equipment will be turned to making munitions and military equipment. There is real danger that enemy agents will try to delay production of all these materials as much as possible. Fire is one of the easiest means of doing so. It is a handy weapon for enemies in the country to use.

Already fire prevention officials have been urging fire chiefs to be specially vigilant. The Fire Marshal of Ontario, for instance, has circularized all fire departments asking them to inspect all factories and warehouses in their jurisdiction. This is done with a view not only to removing existing hazards but to make the fire department better acquainted with the premises so that in case of a fire occurring it will be in a good position to fight it.

Preventive Measures

Some measures which might be taken to reduce the fire hazard have been listed as follows:

Removal of all debris and refuse.

Warehousing of all raw materials in as tidy and orderly a way as possible so as to permit a fire occurring in one section being segregated.

Regular inspection night and day of all parts of the premises where fire might start.

Exclusion of all unauthorized persons from the premises.

Installation of such fire fighting equipment as sprinkler systems, extinguishers etc., as may be deemed desirable.

In some instances it may be advisable to have emergency water supplies in tanks and cisterns and also supplementary units.

It is felt that once the matter is drawn to their attention industrial executives know best the measures that should be taken in their own plants.

Help of Fire Chiefs Asked

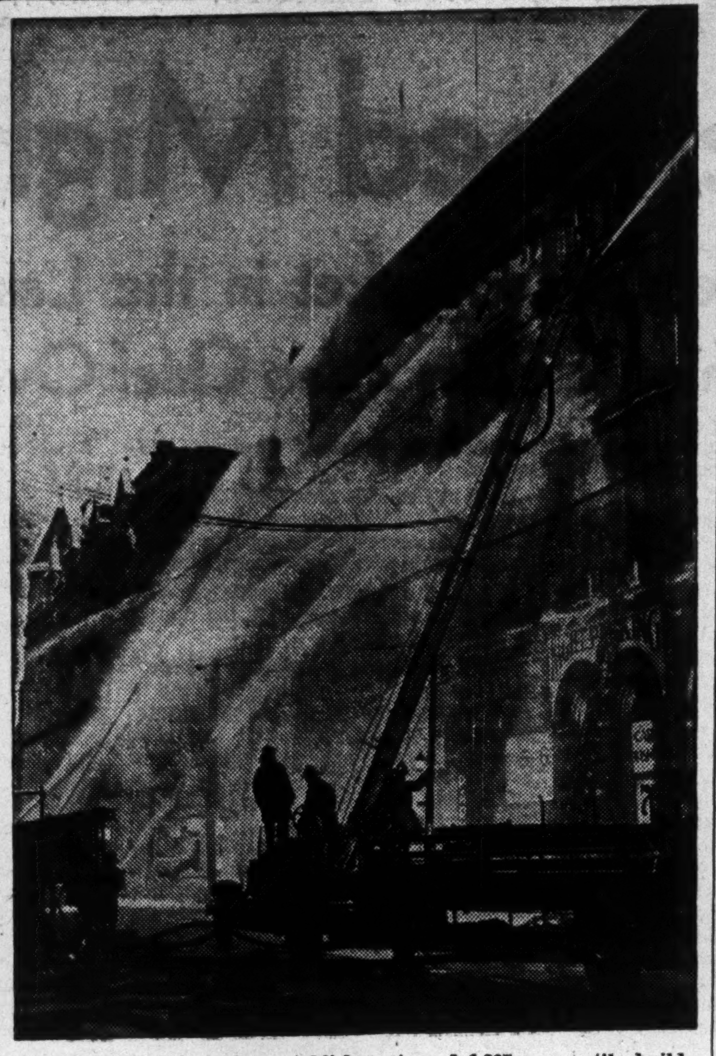
Already a number of industrialists have applied to district fire departments for inspection of their premises and suggestions as to the methods that might be taken. In most of these cases, it is stated there is little that the fire departments can suggest. Premises are clean and protected by fire prevention equipment. In some cases 24-hour guards have been put on.

In other places, however, there has been a complete disregard of the dangers of the present situation. In one important industrial city in Ontario, plants of important industries were being operated with no further precautions than might be taken at a normal time, until the visit of the Fire Chief awoke the management to the desirability of doing something.

In another municipality the Fire Chief has persuaded the municipal authorities to form a municipal fire guard of about 35 men who keep watch over important municipal works and also private plants. In other cases companies have put on guards of their own.

Among the points being stressed in the sabotage fire prevention campaign is the need of protecting waterworks. Just what would happen in the average community in case of fire if the waterworks failed can be readily imagined. Hence much stress is being placed on the need not only of protecting these plants against damage of any kind as a fire prevention measure, but of keeping them at a high state of efficiency.

In the whole fire prevention and anti-sabotage campaign, fire prevention officials reiterate their readiness to co-operate with police bodies of all classes in the country as well as private corporations and individuals. They also urge the co-operation of citizens as without it their work will be so much more difficult.



In 1938, 974 manufacturing establishments and 1,887 mercantile buildings were burned with a total loss of over $6.7 millions. This, however, in many instances was only the first loss. The figure would be greatly exceeded, if to it was added the revenue cut off when operations were suspended. Even though business may be resumed later in other premises, the interruption sometimes also results in the loss of customers. Tenants stop paying rent. The community suffers too when employees find themselves out of a job. The first loss is sometimes the least important.

Fire Prevention Featured Again

Canada's fire loss in 1938 amounted to $25.8 millions, the highest since 1933. On a per capita basis the loss was $2.31, which compares with $2 for the United States and about $1 for Great Britain. These figures indicate that Canada still loses by fire more than other countries with a population of the same general nature. Fire Prevention Week this year, from Oct. 8 to 14, puts special emphasis on the need of doing everything to reduce the fire loss. With the Empire at war and Canada scheduled to supply an enormous quantity of supplies of all kinds to the allied forces, the need of preventing any interference with operations through fire becomes a patriotic duty.

Fire Engine Races Over 4.000 Miles

Alarm Rung in at New York Fair for Golden Gate

It took a fire engine days upon days to reach a fire on the grounds of Golden Gate Exposition in San Francisco. The alarm was rung at the New York World's Fair, and on the instant a Mack fire engine started for California—4,000 miles away. Arthur B. Hickox, better known as "Wild Bill" Hickox, was the fire chief, and he was accompanied by a crew of six firemen, all of whom wore red flannel shirts, white ties and blue uniforms.

On arrival at the Golden Gate Exposition, a special building, erected for the purpose, was set on fire, and the engine, with its crew, extinguished the blaze spectacularly. Of course the newspapers all across the continent publicized the stunt—and so, too, did Bus and Truck Transport in Canada, from whose pages I have abstracted the story of "the longest fire engine run in history."

Urban Losses From Fire Up

Average Per Capita Loss Rises Slightly — Trail Has Best Record

Honors for the lowest fire loss record among Canadian municipalities in 1938 go to Trail, B.C. The loss per capita was 13 cents, slightly better than the 14-cent figure which won first place for Peterborough, Ont., in 1937. It, in turn, had been two cents under the record of Levis, Que., in 1936.

Second place was taken by Prince Albert, Sask., with a loss figure of 17 cents per capita. East York Township was third with 19 cents, and was followed closely by Woodstock with 20 cents.

Peterborough's loss jumped to 88 cents per capita. It was still however well below the average of $1.90 for municipalities with populations of 10,000 or over. This compares with $1.52 in 1937.

Heaviest per capita loss was that of Valleyfield, Que., where the burning of a large factory with a loss of $169,565, brought the figure up to $14.69. Had it not been for this the per capita loss would have been among the lowest. Timmins which showed the next heaviest loss of $7.24 per capita also suffered by the burning of a large store there.

Total losses for municipalities with population of 10,000 or over were $9.2 millions compared with $6.9 millions in 1937.

Fire Losses in Municipalities Where Population Exceeds 10,000

Municipality:	Total property loss 1938	Loss per capita 1938	Loss per capita 1937
Ontario:			
Belleville	80,693	5.53	1.51
Brantford	42,628	1.41	0.54
Chatham	20,699	1.25	0.30
Cornwall	4,295	0.32	1.19
East York Twp.	7,085	0.19	0.17
Forest Hill	9,575	0.74	0.60
Fort William	128,258	5.18	1.12
Galt	4,463	0.31	0.52
Guelph	46,160	2.13	0.30
Hamilton	221,698	1.44	3.91
Kingston	13,632	0.57	0.80
Kirkland Lake	18,554	0.84	1.39
Kitchener	60,528	1.82	0.23
London	71,793	0.94	0.91
Niagara Falls	20,677	1.09	0.52
North Bay	22,136	1.34	10.31
Oshawa	9,402	0.37	5.44
Ottawa	447,202	3.08	1.53
Owen Sound	10,475	0.79	0.88
Pembroke	5,337	0.51	0.64
Peterborough	21,299	0.88	0.14
Port Arthur	8,607	0.40	0.97
St. Catharines	116,558	4.22	0.48
St. Thomas	15,892	0.99	1.11
Sarnia	36,025	2.00	1.01
Sault Ste. Marie	20,753	0.87	2.33
Scarboro Twp.	78,257	3.50	2.69
Stratford	11,630	0.68	0.80
Sudbury	15,570	0.52	7.45
Timmins	181,958	7.24	1.05
Toronto	1,530,984	2.36	0.83
Welland	9,681	0.88	0.68
Windsor	88,996	0.86	1.26
Woodstock	2,311	0.20	0.46
York Twp.	29,832	0.40	0.49
Quebec:			
Cap de la Madeleine	6,671	0.62	1.05
Chicoutimi	15,587	1.04	1.92
Drummondville	21,393	2.14	5.42
Granby	90,404	7.12	1.16
Hull	79,061	2.55	1.68
Joliette	40,052	3.34	1.02
Jonquiere	40,307	3.25	2.20
Lachine	13,093	0.66	0.26
La Tuque	50,416	5.04	0.49
Levis	8,482	0.71	0.49
Montreal	1,589,601	1.26	1.39
Outremont	63,314	2.11	2.52
Quebec	421,182	2.81	2.39
St. Hyacinthe	20,100	1.13	1.41
St. Jean	19,775	1.50	0.65
St. Jerome	26,836	2.65	1.66
Shawinigan Falls	10,923	0.61	0.30
Sherbrooke	148,345	4.49	2.10
Sorel	3,025	0.27	0.54
Thetford Mines	14,527	1.21	0.15
Three Rivers	34,863	0.77	1.39
Valleyfield	193,851	14.69	0.69
Verdun	68,596	1.07	0.40
Westmount	41,869	1.61	0.60
Manitoba:			
Brandon	9,874	0.60	0.83
St. Boniface	39,068	2.37	0.92
Winnipeg	304,608	1.37	1.11
Saskatchewan:			
Moose Jaw	14,194	0.71	4.33
Prince Albert	1,852	0.17	0.83
Regina	59,961	1.13	0.34
Saskatoon	11,847	0.29	1.22
Alberta:			
Calgary	201,107	2.34	1.02
Edmonton	130,901	1.47	2.35
Lethbridge	7,496	0.54	0.61
Medicine Hat	39,777	3.98	0.40
British Columbia:			
New Westminster	20,630	0.98	0.63
North Vancouver	4,420	0.44	0.31
Trail	1,602	0.13	0.35
Vancouver	1,306,314	3.77	2.14
Victoria	24,062	0.60	1.68
Nova Scotia:			
Dartmouth	12,188	1.01	0.32
Glace Bay	36,970	1.48	3.44
Halifax	171,727	2.64	3.14
Sydney	175,578	7.02	6.19
New Brunswick:			
Fredericton	37,826	3.73	7.40
Moncton	75,730	3.61	0.47
Saint John	103,467	2.20	1.90
Prince Edward Island:			
Charlottetown	42,045	3.23	3.80

Smokers' Fires Still Lead In Fire Loss Statistics

Indifference of smokers to the fire hazard was again the greatest single known cause of fires in Canada in 1938. No less than 13,719 fires, causing a property loss of $2.4 millions, were attributed to smokers' carelessness. This was a percentage of 31.5% of the total number of fires and 9.3% of the total property loss.

Ten years ago the number of smokers' fires in Canada was less than 3,000.

The increase has synchronized with the more general use of tobacco by both sexes. No statistics are available as to which sex is mostly to blame in this regard. The general increase in the use of tobacco is attributed to the growth of the habit among women.

This in itself means cigarettes are much more likely to cause a fire than either a pipe or a cigar. For instance a lighted cigarette, if laid down on a desk or thrown on the floor, will often burn until it is completely consumed, while the cigar or pipe will usually go out unless subject to a continued draft.

Greater Care Urged

While in most cases smokers' fires are small there is no guarantee that the fire started this way will not become a serious one. Accordingly fire prevention officials persistently urge greater care among smokers.

Causes Reported:	No. of fires	Property loss $
Smokers' carelessness, matches	13,719	2,426,597
Stoves, furnaces, boilers and pipes	3,972	1,803,208
Defective chimneys and flues	3,870	1,690,267
Elec. wir. & appliances	2,625	2,394,278
Miscell. known causes	1,855	1,233,507
Sparks on roofs	1,773	505,469
Lightning:		
(a) Bldgs. rodded	25	19,322
(b) Bldgs. not rodded	1,509	551,655
Expos. to adjacent fires	1,389	1,299,734
Petroleum products, etc.	1,052	600,681
Sparks from open fires	1,004	196,872
Hot ashes & coals	692	90,331
Lamps, lanterns, open lights	580	208,127
Spontaneous ignition	480	588,313
Hot grease, oil, wax, asphalt, etc.	411	69,905
Incendiary	293	537,602
*Explosions	265	156,524
Friction	103	79,368
Fireworks	63	6,142
Steam & hot water pipes	40	60,677
Motion picture film ignition	11	10,968
Hot and molten metal	10	759
Unknown	8,363	11,357,746
Total	44,104	25,899,180

*Other than petroleum products.

Next in causes of fire come stoves, furnaces, boilers and pipes. In 1938, 3,972 fires with a loss of $1.8 million were caused this way. The condition usually contributing to fires from these causes is overheating. Accumulations of rubbish near a stove or furnace are also an important factor.

Defective chimneys and flues caused 3,870 fires, with a loss of $1.6 million. Electric wiring and appliances were responsible for 2,625 fires with a loss of $2.3 millions, second only to that caused by smokers' fires.

Electric irons or toasters left burning are one of the common factors in this connection causing fires as also are wires from which the insulating material has been worn off, knotted electric cords, etc.

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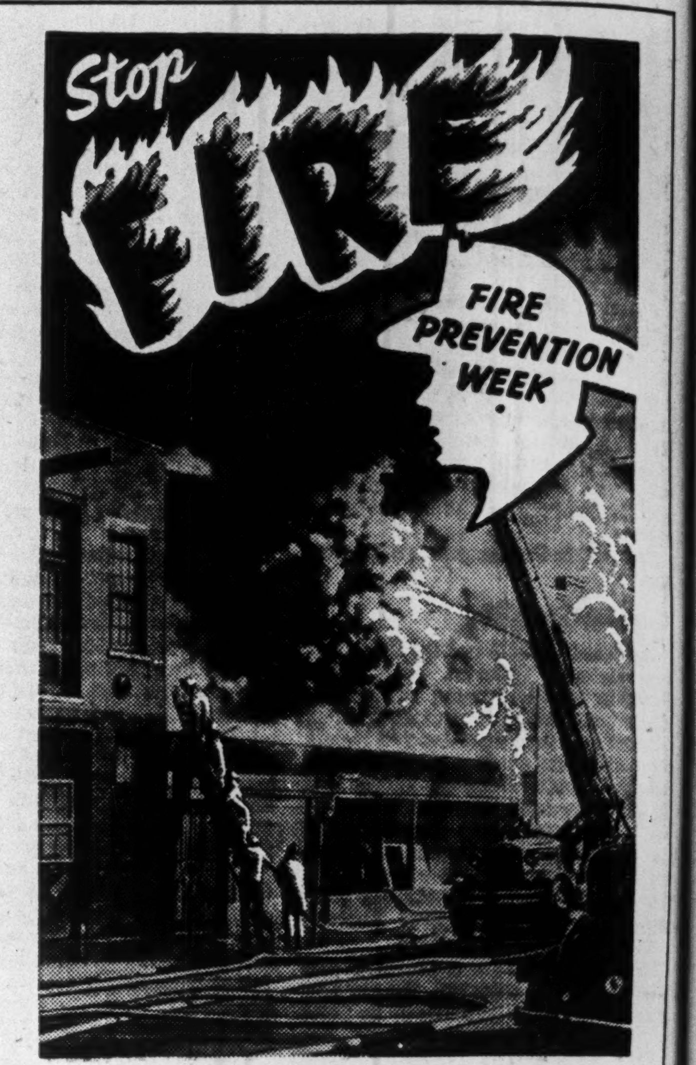
KNOWN ROUND THE WORLD

Self-Inspection Campaign Seen As Fire Preventive

In the effort to reduce fire losses in the community, the Brantford Board of Trade has distributed some 8,000 self-inspection questionnaires to children in the schools and 2,000 to merchants.

These forms ask a series of questions as to the existence of fire hazards, such as piles of rubbish or inflammable material in the yard or buildings; what disposal is made of ashes; condition of chimneys, stovepipes, gas connections, etc.; habits as regards the use of gasoline and combustible oils; and equipment in the way of fire extinguishers, etc. The information given is treated confidentially and the local fire department has agreed to help solve any problems which may have come up for the child or the merchant as a result of the questions asked.

If these questionnaires do nothing more than attract the attention of those filling in the forms to the points brought out, they are well worth the cost.



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Featuring Fire Prevention

Co-operate to Check Incendiarism

Public and Private Organizations Show Increasing Readiness to Pool Efforts

By HARRY BETHORET

Secretary, Fire Underwriters and Loss Information Bureau of Canada.

In the last 18 years, 7,463 persons lost their lives and over $702 millions worth of property was destroyed by fire in Canada. It has been estimated that the greater proportion of these losses were sustained in fires which could have been prevented.

These preventable fires may be roughly divided into three main classes; those of purely accidental origin, those caused by carelessness and those deliberately set.

It is with fires of the last type that this article is concerned. They obviously require a different kind of fire prevention from those of accidental origin. Owing to the possibility of enemy activity, special precautions have to be taken against them in wartime.

Motives behind incendiary fires include malice or revenge, which in war-time may include the desire of a foreign enemy to destroy military supplies, equipment and munitions and prevent their manufacture, juvenile delinquency, covering up evidence of other crimes and profit.

Malice or Revenge

The first classification, fires set through malice or for revenge, usually occur in districts populated by people of alien origin, who consider incendiarism a proper way to settle grudges. This same type of alien quite frequently carries his grudge to the extent of committing murder. In this class may also be included fires set on account of fanatical beliefs. Instances of this are the numerous incendiary fires in Doukhobor districts of the western provinces. Through intense investigation work, the Royal Canadian Mounted Police and other investigation agencies have reduced that type of fire to an absolute minimum. In numerous cases, the perpetrators received the only instruction they could understand, a long jail sentence. Possibility of fire damage by enemy aliens in the present crisis also calls for special vigilance.

Juvenile Firebugs

The next class, fires set by juveniles is one that merits very serious consideration. This type quite frequently starts with a bonfire in an old dilapidated shack. Such a fire, with the arrival of the firemen creates considerable excitement and when that excitement wears off, the same youths create additional excitement by setting another fire. Frequently a regular epidemic develops.

In one instance at Montreal, over 60 fires were set by juveniles, before they were apprehended. These juveniles were divided into two separate gangs both of which attempted to show up the other by setting bigger and bigger fires. The proper fire prevention method for this type of fire is, of course, the same as used in preventing other crimes committed by juveniles, namely, first and foremost, education, then vocational guidance and all other methods which permit juveniles to get off the streets into play or useful occupation. It is a matter of record that such juvenile gangs generally come from districts thickly populated by families of very small means and particularly districts where no playgrounds are available.

To Cover Another Crime

The next motive, namely to cover up other crimes, is not very frequent and very seldom does a criminal succeed in his object. Ordinary investigation work, as a rule, promptly discloses this motive. It is obvious that if a burglar, for example, commits a crime, he has one idea very definitely fixed in his mind and that is to take his loot and then escape as fast as he can. It does not seem very logical for him to set a fire and attract attention to his work. It is the writer's opinion that fires set by burglars are about as frequent as those caused by rats and mice. That explanation some years ago was given in numerous fire reports but that explanation has gradually disappeared. It must, of course, be admitted that an occasional fire is started by a burglar or a rat but, as stated, fires traceable to these causes are few and far between.

Fires For Profit

We then come to the fire set for profit. This does not, of necessity, mean that the criminal who sets such a fire expects to realize a definite profitable settlement. It includes the criminal who, for example, has a stock of goods on his hands which cost him considerable money but which, for some reason, such as a change of styles, has become unsaleable. If he can realize on his goods through a fire, he might actually receive less than he actually paid for it originally, but considerably more than he would receive if he attempted to dispose of that stock through legitimate channels. That type of fire has received more and more attention in recent years.

A Serious Crime

In practically every civilized nation an incendiary fire has always been considered as a very serious crime and heavy punishment was fixed for it. In some instances such punishment even included a death penalty. When investigation work became very intensive and as investigators were able to discover the mysterious origin of such fires, that type of criminal, of sheer necessity resorted to newer and more clever methods. The old style of incendiary fires caused through clockwork and other mechanisms has practically disappeared. Quite a number of fires which were successfully investigated showed certain parties to have used their education which they acquired, for example, in studying chemistry, for criminal purposes in setting fires. But the various investigation agencies, police and fire departments, etc., have also increased their education and very seldom are far behind the criminal who sets that type of fire.

Some persons, in referring to incendiary fires, have made the statement that insurance companies have to pay the losses and that it is none of their concern. Such persons are misinformed because, after all, fire insurance rates, to a large extent, depend on the amount of fire losses which insurance companies have to pay. Education of such misinformed persons has produced outstanding results. The thought that the average man is not losing anything but that insurance companies are the only losers has practically disappeared. A decided improvement has been noted in the attitude of the public toward fires of that type.

The investigators starting on a fire which has totally destroyed a building are, of course, confronted with a pile of debris and ashes and their work is tremendously difficult; much more so than in any other crime such as murder, safe-blowing, etc., where definite evidence of wrongdoing is immediately evident. In recent years, citizens who had noted abnormal conditions and suspicious movements of persons in or surrounding such a building, etc., have voluntarily come forward with such information. This, in practically every instance, has resulted in the apprehension and conviction of the parties who set those fires.

Growth in Co-operation

One of the greatest steps in fire prevention is the increased spirit of co-operation shown by fire and police departments, private organizations, etc., in investigation work. So far has this advanced that if an investigation agency in one province asks the help of officials in another, such aid is immediately extended.

The Fire Underwriters Investigation and Loss Information Bureau of Canada, formed in 1923. extends co-operation to all concerned and its services are used very extensively. Its fire records are consulted continuously by public authorities. The organization always sends an investigator to communities where no other investigators are available. In larger communities it works closely with police arson squads, and in the country with the Royal Canadian Mounted Police and the provincial police.

During the present war emergency, these investigators are available to help trace down perpetrators of sabotage fires and will, of course, perform duties incidental to fires and explosions due to enemy operations as in the normal course of their business.

When a warehouse or freight shed is burnt, long delays in getting repeat orders for the goods destroyed filled, often result. This means annoyance to customers, loss of business and sometimes cancellations. Losses of the goods themselves, of course, are often heavy. Fires of the type shown above, in a railway freight shed, are easily started but hard to extinguish. An ounce of care may be the means of preventing many tons of loss.

Fire Losses in Canada

Canadian fire losses in 1938 at $25.8 millions were the highest reported since 1933. They were, however, still well below the average of $33.4 millions for the last ten years. In 1929 they amounted to $47.4 millions. From there they gradually fell till they reached a low point of $21.5 millions in 1936; increasing to $22.7 millions in the following year. It is therefore evident that 1938 was the second year in succession to show an increase. Estimates of the fire loss in 1939 to date, however, would indicate that it should be lower than last year.

Per capita loss at $2.31 compares with $2.04 in 1937 and $1.95 in 1936.

While the total fire loss showed a higher dollar value last year the number of fires at 44,104 was 556 lower than that for 1937. It was still higher than the 42,644 shown in 1936, however. Decreases were shown in residential properties, mercantile establishments and farm properties. Manufacturing risks, institutional buildings and miscellaneous properties were higher.

Among the provinces, Saskatchewan had the lowest per capita loss. British Columbia the highest.

Provincial Fire Losses

	Total			Per Capita		
	1938	1937	1936	1938	1937	1936
	$	$	$	$	$	$
Alberta	1,386,788	1,503,399	1,098,889	1.77	1.93	1.43
British Columbia	2,530,034	2,144,078	1,689,718	3.32	2.85	2.25
Manitoba	1,052,730	893,250	846,283	1.46	1.24	1.19
New Brunswick	836,102	865,791	885,644	1.88	1.96	2.04
Nova Scotia	1,441,786	1,409,249	1,246,767	2.63	2.60	2.32
Ontario	9,397,210	8,134,999	7,867,483	2.52	2.19	2.13
Prince Edward Island	200,341	222,483	164,141	2.13	2.39	1.78
Quebec	8,551,735	6,499,420	6,645,210	2.70	2.07	2.15
Saskatchewan	502,454	1,055,846	1,080,925	0.53	1.12	1.16
Floater	......	17,543	24,424	...	...	...
Total	25,899,180	22,746,058	21,549,484	2.31	2.04	1.95

Fire Insurance Expansion Coming Before Year End

Two main factors point to an expansion in the volume of business to be written by the fire insurance companies in the coming months. These are the larger inventories of raw materials and finished goods which will be carried by manufacturers and merchants as a result of the war and the larger crop in the West.

The outlook as regards mercantile and industrial risks has been completely altered by the outbreak of war. Businessmen generally are showing a disposition to carry heavier stocks than they have for years. Among the reasons for this are the desire not to be caught short of supplies and the belief that prices usually rise in wartime.

War Conditions

In recent years under modern conditions of transportation and production there was no fear of a shortage of any kind of goods to meet normal demands. War demands, however, in many cases mean greatly increased demand and there is in some cases a fear that adequate supplies may not be forthcoming when wanted.

The fact that prices are likely to rise is another and even more powerful factor. For some time businessmen have been afraid to buy heavily ahead for fear that a decline in the price level would mean the taking of heavy losses. This fear is now removed. Consequently with inventories increasing, there is a greater demand for fire insurance. In addition, certain industrial plants are being enlarged to take care of war demand with extra machinery and equipment being added.

Sabotage a Factor

With the possibility of sabotage increasing the number of fires, it is expected by some that the downward drift in fire rates will also be checked.

The large western crop would probably have had a helpful effect on the insurance business whether war had come or not. Increased spending power in the Canadian West should make itself felt in a better demand for insurance. New machinery and equipment will be bought, many houses will be refurnished. All of which in due course is expected to be reflected in the premium income of the companies.

This situation in general will be much different from that recently prevailing. Small inventories, low prices and curtailed construction work have all combined to produce lower fire premiums.

Appointments Announced By Employers Liability

Changes in the western organization of the Employees' Liability Assurance Corp. are announced as follows:

F. H. Roost recently resident inspector at Ottawa to be assistant to T. D. Harris, western branch manager, with headquarters at Winnipeg.

J. Venables, formerly assistant to Mr. Harris, to be manager, Calgary branch.

V. Grace, for many years branch manager at Calgary, to assume special duties at Toronto.

C. B. Carr, resident inspector at Calgary, has left the company to join the Canadian Active Service Force.

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Price Control Technique

Control Without Regimentation Aim of New Government Board

By KENNETH R. WILSON
Associate Editor, The Financial Post

With the hectic experience of the last war still fresh in mind, the Dominion Government at the outset of this new war, determined to prevent prices getting out of control. To that end a special board with sweeping powers was appointed the very day Britain went to war. In the following article a staff editor of The Financial Post tells how this board hopes to steer an even course between regimentation of trade on the one hand, consumer exploitation on the other.

One of the quickest jobs which Ottawa did when England went to war on September 3 was to set up a price and trade control board.

A skeleton Act had been prepared weeks before. Four hours after Britain declared war the order-in-council creating this body was signed and sealed. Into the hands of a group of key civil servants was placed extraordinary power to control, investigate, license, penalize—

"... any person engaged in manufacture, production, storage, or transportation ... or any alleged or apparent unreasonable enhancement of price ... of any necessary of life."

If this new Wartime Prices and Trade Board were to use even a fraction of the powers granted under the War Measures Act, life in Canada might well be comparable to the days of Confucius when every fifth man in the land was either a policeman or an inspector charged with seeing that his fellow countrymen observed the law.

Fortunately for business and freedom-loving citizens, the comparatively young men now charged with administering this control have no such thoughts in their minds—for the present at least.

No Regimentation

As one member of the Board told The Financial Post last week:

"At all costs we want to avoid putting the Government into the sugar business, the packing business, the clothing business, the coal business, or any other business.

"Price problems are almost sure to arise in most, if not all, the necessaries of life before this war ends. But in 99 cases out of 100 there is probably a way out, short of regimentation and government control. Our job will be to find that way.

"We know that higher profits for manufacturers, distributors, are inevitable once a wartime boom gets under way. Where these profits are fair and reasonable the Minister of Finance with his Excess Profits Tax will take care of that.

Straighten Bottle Necks

"Most of our work will probably be straightening out maldistribution, the 'bottle necks,' big and little, which crop up in every business from time to time and which tend to be greatly magnified—sometimes to calamitous proportions—in time of war."

So far, board members are confident that quick action, backed by a complete knowledge of the facts, will straighten out most wartime problems of prices and trade. They point out, for example, that the present war is not being fought in an economy of scarcity, that economic geography has been remade, rewritten since 1914-1918.

Now Largely Self-sufficient

For almost 25 years the world has been conditioning itself to self-sufficiency and economic isolation. In 1914, for example, Britain's chief source of sugar supply was central Europe, mainly Germany. No wonder prices soared and markets were demoralized. The same was true of almost all major raw materials and necessaries of life.

Today most countries of the world, and especially the British Empire, have become largely self-sufficient. Britain now gets most of her sugar from British India and the British West Indies. Under British sponsorship. India has become within the last two years the biggest producer of sugar in the world, even exceeding Cuba. Moreover, most countries, including Canada and England, have gone some distance in developing home sources of supply.

The net result is that for most commodities the problem is really one of seeing that available supplies are evenly and regularly distributed rather than battling with scarcity, higher-priced substitutes, etc.

Machinery Ready

Another reason why control is easier now is that the machinery is ready at hand. In this war, price regulations were ready within four hours of declaration. A few hours later, three of the ablest of Canada's younger civil servants had been put in charge. Two more members of the Board were added subsequently, and within a week or two, half a dozen experts were hard at work with adequate powers and accurate facts with which to direct their policies.

In the last war no order-in-council for price control was even passed until November, 1916—more than two years after war had been declared. Appointment of a food controller did not come until June, 1917, Even then there was delay in setting controls into motion.

The value of this quick action (especially in conjunction with similar controls in Great Britain) has been clear in the case of sugar. Even before Britain declared war on September 3, housewives with long memories had started buying sugar in 100-pound bags. The normal supply on storekeepers' shelves, in wholesalers' warehouses and manufacturers' shelves disappeared as if by magic.

Easing Sugar Shortage

Knowing that there was no real shortage of raw sugar supplies, nothing to justify a rise in price and hoarding, the Board moved quickly to make a gentleman's agreement with manufacturers that there would be no increase in price for a stated period of time. They then set about to ease housewives' fears, and redistribute as quickly and evenly as possible all available domestic sources of supply.

They even ferreted out excess stock in the hands of candy-makers, bottling and preserving firms. Almost without exception these firms were willing to co-operate even to the extent of giving up reserve sources of supply which inevitably they might have to repurchase at somewhat higher levels.

Here and there were a few chisellers. In one city, complaints poured in that retailers were not able to get any sugar from their normal wholesale supply house. The wholesaler insisted that he had none to give them. Investigation proved that in reality he had been shifting his sugar stock to the house of a relative with the purpose of holding it for possible higher prices later on.

Few Chisellers

Whenever things like this happen the Board cracks down and cracks down hard. But, so far, chisellers have been few and far between. Business has shown itself extraordinarily willing and anxious to co-operate in straightening out wartime tangles and keeping supply and demand functioning smoothly and without undue enhancement of price.

Incidentally, Great Britain made an important contribution to the Canadian sugar picture by permitting Canada to buy from the West Indies her entire requirement for the present crop year (this will last through until next fall) at pre-war prices. Canadian consumers are, therefore, assured of adequate low-price sugar supply for almost another year, at least.

If any difficulty should develop meanwhile, there is still an ace-in-the-hole in respect of Cuban raw sugar. There is plenty of raw sugar in Cuba and by releasing tariff barriers this could be quickly made available in Canada.

There is no concern that such a step (which might seriously upset treaty obligations with another part of the Empire) will be necessary.

Similarly with a commodity like butter. If supply factors appear to be getting out of hand it will be relatively easy for the Board to exercise its power and permit importations from time to time of New Zealand butter to restore equilibrium and maintain reasonable prices.

Higher U.S. Prices

One problem which may face the Board in many commodities is the possibility that prices in the United States—a country not actually on a war basis—may get out of line and adversely affect Canada. Actually this has happened in wool. The American price is considerably higher than the current level in Canada, and heavy exports to U.S. were made before export control was brought into effect.

Canadian manufacturers who require wool for army clothing and other wartime needs are having their requirements met by a special allocation of 750,000,000 pounds of cross-bred wool from United Kingdom. U.K., it will be recalled, has already commandeered the entire Australian production "for duration."

In order to maintain a reasonable price in Canada it has been necessary to prohibit exports of wool, or rather place an embargo on exports. This is being done by the polite device of "licensing" exports. Obviously, licenses will not be granted if, by so doing, prices in Canada would be adversely affected thereby.

Diverting Consumer Production

One major problem not yet faced by the Board is the question of arbitrarily diverting consumer production into wartime channels. The choice, for example, of whether or not automobile plants would have to be requested to curtail production of 1941 models in order to increase munitions supply.

Such problems may develop in the future. At the moment there is ample surplus capacity in most lines of manufacture and the primary job is one of gearing this production to wartime uses rather than diverting peaceful industry into war production.

One important limitation placed on the Board is that its regulations and powers shall not apply to any farmer or gardener "in respect of any necessary of life produced upon any land cultivated by him."

Once a product gets out of the hands of the producer and into the ordinary channels of trade, manufacture or distribution, then it becomes a subject for action by the Board. Agricultural products in the hands of the farmer or the gardener are under surveillance of a special Agricultural Supply Board.

Three original appointees to the Board are Hector B. McKinnon, Commissioner of Tariffs, as chairman; David Sim, Commissioner of Excise, and Fred McGregor, Combines Commissioner. Subsequently, A. M. Shaw, Director of Marketing Service of the Department of Agriculture, and C. P. Hebert, member of the Tariff Board, were added to make a five-man control.

Professor K. W. Taylor of McMaster University has been appointed full-time secretary of the Board and David C. Dick of Cobourg named wool administrator under the Act. Last week a special committee was named by the woollen clothing and cloth industry to handle orders from the War Supply Board and facilitate the work of the Prices and Trade Board in this special field. Other special administrators may be named to deal with specific commodities.

Wherever possible, existing organizations both in private industry and governmental service will be used. For example, the Dominion Fuel Board will probably co-operate in dealing with fuel control. There is no intention or desire to set up a separate or parallel control wherever such now exists. Professor Hubert Kemp of the University of Toronto has also been retained as special economic adviser.

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Quebec Rejects Protest Against Fair Wage Levy

From Our Own Correspondent

MONTREAL.—The Quebec Government has rejected the protest of the Canadian Manufacturers' Association against the levy of the Quebec Fair Wage Board.

Suggesting that the manufacturers were attempting to dictate the policies of the Government, Premier Maurice Duplessis, in a public statement, said, "the Government does not intend to be imposed upon either by employees or employers." It will continue its policy of dealing justice and fair play to all concerned, he said.

The C.M.A. protested the levy on the grounds it was not uniform throughout the province and resulted in discrimination against manufacturers in large cities.

Insurance

Tendency Is To Broaden Civilian Life Policies

Some Companies Extend Area of Travel Without Extra Premium — Demand for Policy Loans Smaller Than Anticipated

With the first unsettlement following the outbreak of war passing, some adjustments and revisions are now being made by the life insurance companies in the matter of war premiums. In some cases the tendency is to broaden the conditions making it easier for the ordinary civilian. Then again some of the companies are making a difference in the extra premium demanded from men and women going overseas in the different branches of the military or naval services.

When it was first decided to put war clauses on all new policies, one of the conditions was that civilians leaving Canada or Canadian coastal waters would be subject to the same war premium as if going on military service. This has now been modified by some of the companies at least.

Civilians taking out new insurance are now allowed to travel in any part of North or South America or in the coastal waters of either continent without having to pay an extra premium. As formerly they were required to pay the full war premium when going to South America, it is obvious that the change in the method of rating is material.

Lower Rates to Europe

But there has also been a broadening of the terms under which a civilian may travel to Europe, Africa or Australia. The terms on which the new policies are now being written have been enlarged, so that instead of requiring civilians to pay the full extra premiums as at first announced, they pay a graduated premium depending on the areas visited and the length of time they will be away.

The minimum extra premium charged in this way is $10 per $1,000 per annum. This is considerably lower than the average extra premium of $75 per $1,000 charged at the outset.

It is understood also that some of the companies have raised the extra premium charged for military, or naval service outside the country to $90 per $1,000. There is, however, some variation in the rates charged for different types of service in the overseas forces. For instance, in most cases the highest rate is charged for all combatant arms of the service. The rate for members of the Army Medical Corps except nursing sisters is $40 per $1,000. Nursing sisters overseas will be asked to pay $25 per $1,000 extra.

Members of the naval service, except those serving on submarines, when outside Canadian territorial waters will pay $50 extra while an extra premium of $25 per $1,000 has been set for the mercantile marine. Special conditions are also being made for men in the air service, depending on where they are serving and in what capacity.

Naturally conditions vary considerably among the different companies.

Extra Premiums Fixed

One important development announced by some of the underwriters is that once a new policy is taken out and a war premium paid on it, the first rate establishes the extra premium that will be charged during the time of service. For instance, if a man takes out a new policy and pays the extra premium of $90 per $1,000 on it, that will be the rate he will pay during his term of service whether the rate of new policies should later be set at a higher level or not.

So far there does not seem to have been the increased demand for policy loans that had been expected. People at large evidently have not found the need of money pressing to the extent that they want to borrow on their insurance. As a matter of fact, one representative company reports that it has had fewer applications for loans recently than it had at the beginning of the year.

Agency Forces Build Goodwill

John G. Parker Stresses Agents' Influence to Convention

The agency forces of life insurance are one of the greatest influences for spreading goodwill toward the business in general, John G. Parker, general manager of the Imperial Life Assurance Co. of Canada, told the American Life convention meeting in Chicago this week. In Canada alone, last year, he stated, there were 145,000 ordinary policies sold. This on the most conservative basis, he continued, would mean that at least 1 million people, out of a population of 11 million, across the country, discussed the subject of life insurance with a representative of the business. In addition, 490,000 industrial policies were sold in Canada, which would mean that life insurance was actively discussed in at least 180,000 homes, to an extent where new policies were purchased in those homes. All of these contacts with the general public, Mr. Parker stated, were made by life insurance salesmen and in addition these salesmen serviced about 1.5 million ordinary policies already in force and 4 million industrial policies.

The 85,000 policies that became claims through death or maturity, those surrendered for cash, as well as those on which loans were taken or where the plan of insurance was changed also brought underwriters into close contact with policyholders, he stated.

Mr. Parker accordingly stressed the need of examining the problems with which the agent is confronted and in building up a force of underwriters not only to conduct the business of life insurance but also to act as creators of goodwill.

Canadian Elected to Office By Industrial Advertisers

Representation for Canada on the roster of officers of the National Industrial Advertisers Association (U.S. & Can.) was voted at the recent annual conference of the association in New York. H. S. Van Scoyoc, Montreal, advertising manager of the Canada Cement Co., was elected one of the six vice-presidents chosen at the convention.

Charles McDonough, advertising manager of the Combustion Engineering Co., New York, was elected president.

Mr. Van Scoyoc has been on the staff of the Canada Cement Co. for the past 20 years. During the last war he was chief engineer of the Toronto-Hamilton Highway Commission when it launched construction of the first paved highway in Canada. He left this post prior to completion of the road to join the cement firm's staff.

He has been president of the Technical Advertisers Association of Montreal since its formation two years ago. This body, functioning as the Quebec chapter of the National Industrial Advertisers Association, was formed to promote higher standards of trade and technical advertising.

Dominion Foundries Plant Addition Contract

Contract for erection of the plant extension building to house the new temper mill of Dominion Foundries & Steel, Hamilton, Ont., has been awarded to Frid Construction Co. Work is starting immediately. Orders for the milling and power equipment for the new unit, total outlay on which will be close to $500,000, were placed some time ago.

Cost of the newly placed contract for the building alone will be in the neighborhood of $75,000. The new structure will in effect add to four of the existing buildings at the plant.

Company officials expect the new mill to facilitate considerable improvement in quality of products, as well as better speed and efficiency of operations.

Insurance Notes

Life insurance companies in the United Kingdom have considerably restricted their underwriting operations since war commenced. Ordinary offices are inserting a new clause on policies written at normal rates, providing that in event of death caused directly or indirectly by war, the amount payable will be restricted to the premiums paid, or to the surrender value, whichever is the higher. The clause is wide enough to comprehend mortality of civilians through air raids. Most advices say that while many of the companies are willing to consider proposals for unrestricted policies, that is, policies without the clause mentioned, they are not anxious to transact business of this kind. A restriction clause is also being inserted in new policies by those companies writing industrial insurance. In this case, the clause usually includes a scale setting out reduced payments to be made when death is caused directly or indirectly through war.

* * *

Council of the Insurance Institute of Toronto has passed a resolution that any members enlisting will automatically be regarded as paid up until their return. Those members of the Council present who are company managers volunteered to pay the fees of any of their student employees who may enlist. This they did in order that the resolution would not unfavorably affect the financial standing of the Institute. Passage of the resolution was precipitated by the resignation of J. S. P. Armstrong from the vice-presidency of the Institute owing to his enlistment for overseas service. Mr. Armstrong is agency superintendent of the Dominion of Canada General Insurance Co. His resignation was not accepted.

* * *

Merchandise going to or from the United Kingdom in British ships can be insured with the British Government at a cost considerably lower than that of any other insurance, it is stated. Coverage of this kind can be placed through Canadian marine underwriters provided the shipments are in accord with the terms under which the government insurance is written.

* * *

H. C. Carrington has been appointed insurance commissioner of the Canadian National Railways with office at Montreal. Mr. Carrington, who has been with the Canadian National, for many years, will have jurisdiction over insurance matters pertaining to all property of the C.N.R., its steamships and subsidiary companies, also the Trans-Canada Air Lines.

Keep Your Sabotage Guards Inconspicuous, Says Ottawa

From Our Own Correspondent

OTTAWA.—Officials experienced in guarding property from sabotage are definite and clear cut in their ideas as to how this work can best be carried on in the war emergency.

Agitation has come from hundreds of industrial plants and from provincial authorities urging that patrol guards and similar measures are a matter of national defense and therefore should be undertaken by the Canadian Government as a direct part of its wartime plans.

Civil vs Military

Military officials and others with experience in the last war and results of recent studies to guide them are definitely opposed to such a policy.

Military participation in anti-sabotage precautions around industrial, mining and utility plants is unwise, uneconomical and unsound they maintain. The clear line of demarcation, it is claimed, is whether or not the property is subject to military attack. Unless this is the case, the wiser course, it is argued, is to use police rather than soldiers for protection against possible sabotage.

Soldiers, it is claimed, are too conspicuous. They tend to emphasize vulnerability. What is more, soldiers are required, when on duty, to follow a regular beat at regular intervals. This, it is argued, is not in keeping with the needs of most industrial or utility companies. The aim should be to put guards in civilian clothes, keep them as inconspicuous as possible and avoid, as a rule, a regular line of patrol.

In short, to maintain vigilance with the least possible display of protective force, and with the maximum use of common sense and discretionary freedom.

It is also argued that setting up of military patrol of individual plants is far more expensive than using civil police or guards. Military patrol involves army red tape, barracks, and what not. It is claimed that it is an inefficient use of armed soldiers even to attempt to train them by getting a little practice in and about industrial or public utility plants.

Something of the sort was attempted in the last war at a key point, adjacent to a military encampment. This, it is claimed, however, was purely incidental to the main business of the military camp and was largely done because of failure to use efficiently military man power.

Letting Down Barriers

It is also urged very strongly that once the Government lets down the barriers and admits responsibility for guarding industrial or public utility property, then the way is open to an extensive and extravagant use of military man power which would not only be a considerable drain on the Federal Government but would also handicap Canada's main military efforts.

It is argued therefore that far more satisfactory results come by decentralizing patrol and anti-sabotage work as much as possible. Points of military attack or of military defense are clearly the responsibility of the militia. All other points, if they are owned by the Federal Government, are the responsibility of the R.C.M.P. The mounted police are also available to handle the situation in provinces where there is no provincial police.

The R.C.M.P. has done valuable background work in its industrial survey made over a year ago and which has provided basic information as to the vulnerability of plants likely to be engaged in the supply of war material. The force has also co-operated in supplying guards where needed, through the veteran's guard. These guards are not paid for by the mounted police, but are merely supplied as a convenience for industry.

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Newsprint Securities

"Consolidated" Bonds

Sharp Rise in Value Draws Attention to Betterment in Company's Position

From Our Own Correspondent

MONTREAL.—Consolidated Paper Corp. 5½% first mortgage bonds have moved up from the low 30's to around 60 in the past few weeks. Speculative buying has been largely responsible. However, there has been a great deal of investment buying. The latter has been predicated not only on the steady improvement in the company's position over the past few years but in the better prospects now facing the industry.

The widened interest in these bonds calls for a renewed analysis of the company's position. When Canada Power and Paper was reorganized and Consolidated Paper took over the properties, the latter issued $51.4 millions of 5½% bonds, the interest on which was to be paid only if earned until July 2, 1936, after which it was to become cumulative and payable semi-annually.

At the end of the first period of operations—March 31 1933—Consolidated Paper's position was such that there was considerable room for improvement. Current liabilities exceeded current assets by nearly $5.2 millions. Bank and other special loans totalled more than $15 millions. Revenues for the 15 months ended March 31 were only $2.4 millions and there was a deficit of $98,087 before interest and depreciation charges.

Steady improvement was recorded thereafter by the management but when the time came to put the bonds on a cumulative basis, the company was not in a position to meet debt charges. Accordingly an arrangement was entered into with the bondholders whereby interest up to July 2, 1939, was met by the issuance of 15 shares of common stock for each $1,000 par value bond outstanding.

Factors Affecting Bonds

This gave the company another breathing spell. Under the terms of the new arrangement made with the bondholders certain regulations were laid down. These provided

(a) Interest on the bonds become cumulative from July 2, 1939, with the first payment due on July 2, 1940;

(b) The company had the option of paying interest for the two years commencing July 2, 1939, either in stock or cash under certain conditions;

(c) Cash payments in this period are obligatory only if net working capital exceeds $10 millions;

(d) If the company cannot meet the working capital requirements, then it may pay interest in stock, valuing each share of common at $11 a share.

Fixed Value to Stock

An important point in connection with the latter condition is that each share of stock issued in lieu of interest in cash, is valued at $11 in Canadian or American funds, and at £2 4s. in sterling.

Under the terms of the trust deed interest, as well as principal, is payable in Canadian or American funds, or sterling, at the option of the holder.

This provision is important to the holder. With the pound sterling selling at a discount and the American dollar at a premium, in relation to Canadian funds, it would obviously be of advantage to all holders to seek payment in American funds.

Again by placing a fixed value on the shares which might be issued in the event the company does not pay in cash, Consolidated Paper is protected against exchange fluctuations.

Since operations commenced Consolidated Paper has brought about a marked improvement in its position, despite rather unsatisfactory conditions prevailing in the newsprint market.

The working capital position at the end of last March showed an excess of current assets over current liabilities of $5,340,000; an improvement since March 31, 1933, of $10,519,025.

Underlying funded debt has been lowered from $1,384,834 on March 31, 1933, to $336,494 on March 31, 1939, a reduction of $1,048,340.

There has been a net increase in plant account during the same period of $1,057,700.

Trend of Earnings

The trend of earnings and the amount available for interest and depreciation charges since the formation of the company follows:

	Net earnings	Avail. for bond int. & deprec.
1933*	$2,448,850	$ 98,087d
1934†	1,541,365	22,446d
1935	2,015,165	1,116,982
1936	3,135,338	2,269,450
1936‡	3,206,693	2,721,030
1937§	4,727,153	4,679,220
1938	3,890,325	3,406,746

*12 months to March 31.
†12 months to March 31.
‡ 9 months to Dec. 31.
§12 months to Dec. 31.

Indications are at this stage that earnings for 1939 will be as large as they were in 1938; in fact, maybe somewhat higher. In this connection it might be pointed out that for the last four years, net earnings have been sufficient to cover interest charges before providing for depreciation.

What then are the prospects for the bonds?

As previously mentioned the company does not have to make any decision as regards payment of bond interest in cash or stock until sometime just prior to next July 2. But it is possible at this time to come to fairly definite conclusions as to the likely decision.

Expect Stock Payments

In the first place the agreement with the bondholders provides that the company "shall" pay in cash only to the extent of the amount of net working capital in excess of $10 millions. But there does not appear to be anything in the agreement to prevent the company from paying in cash even if the net working capital does not amount to $10 millions. However, in view of the existence of bank loans and the fact that by next July 2 net working capital is likely to be well under the $10 millions mark, it is reasonable to assume that the company will take advantage of the agreement to pay interest in stock and thus protect its liquid position.

A full year's interest on the outstanding first mortgage would require $2,827,379 in cash or 257,034 shares of common stock, valuing the latter at $11 a share.

At the close of last year Consolidated Paper had outstanding 2,308,789 shares of common. The issuance of stock in lieu of interest next July would increase the outstanding shares to 2,565,823.

One interesting feature of a possible stock issue instead of cash, is that currently the stock is selling under $11 a share. At $11 a share, the market value would be equivalent to a return of 5½% on the par value of the bonds, but with the stock at 8½, the yield in stock, converted to a cash basis, would be 4¼%.

To the holder of a $1,000 bond this would indicate a "loss" of $12.50 in interest because of the drop in the value of the stock. Theoretically the bondholder would lose more. If interest payments were made in cash, the holder could ask for $55 in American funds, as provided in the trust deed which at present rate of discount would give him an additional 10%, or $60.50 in Canadian funds. However, the company is protected against exchange fluctuations when stock is issued as payment for interest. On the other hand, the stock may sell above $11 a share when interest payments become due next July, with consequent benefit to the bondholder.

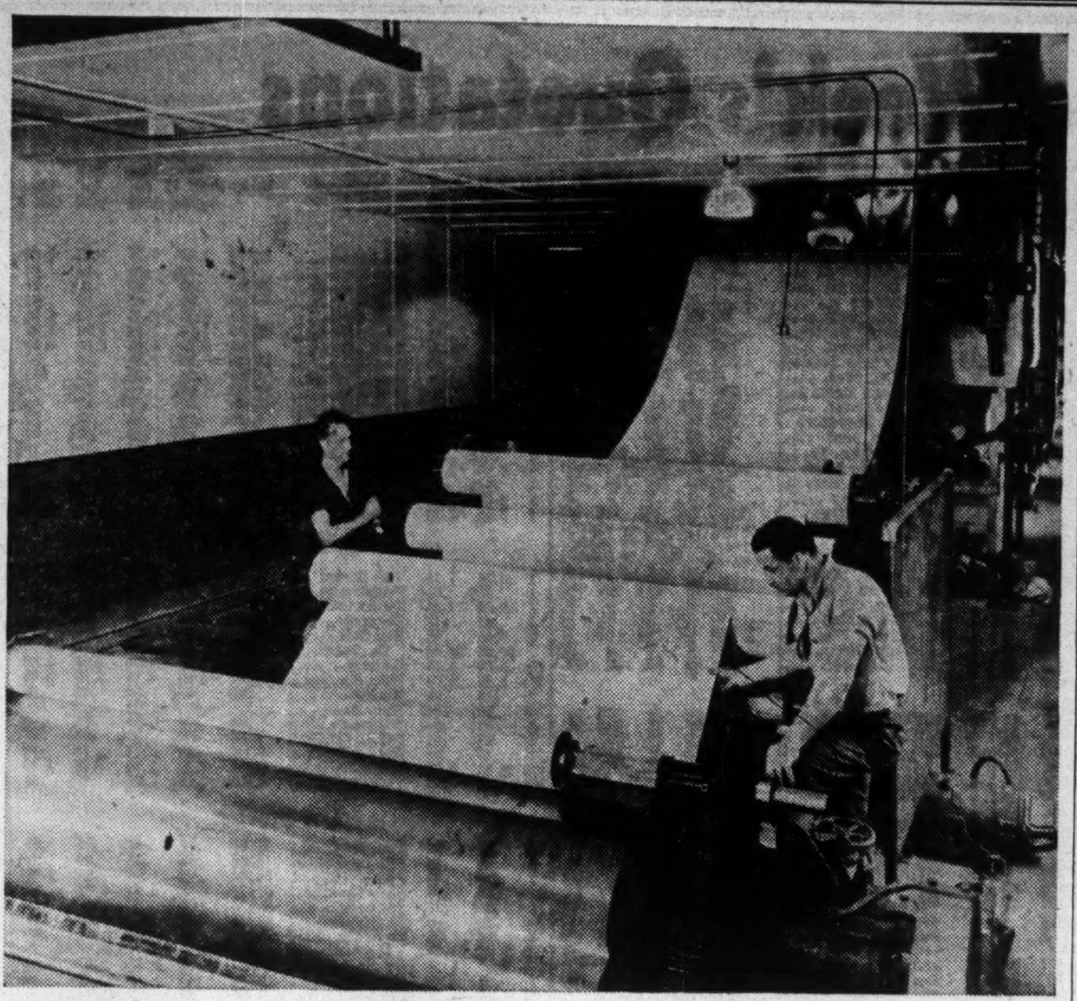
Time is a Factor

If the war extends as long as three years prospects are that Consolidated Paper will be able to build its net working capital up to $10 milllons in a relatively short time and thus be in a position to pay interest in cash.

This is a factor influencing the trend of values for the bonds of late. Moreover, when it is associated with the marked improvement which has been effected in the company's position over the past few years, it would not seem that the bonds are unduly high in price.

* * *

NOTE: This is the first of a series of articles, to be published from time to time, dealing with pulp and paper securities selling at a discount or which have some unusual feature calling for comment.



Provincial Paper now has in use a unique system for coating and drying the fine papers made at its Georgetown, Ont., mill. Installed last summer at a cost close to $100,000, the newly designed machines shorten the time required to apply the coating to the paper and dry it for use. This picture illustrates the uniform coated stock being rolled for shipping after its flying 20-second trip through coater and dryer.

Screenings

Advices from across the Atlantic say that English newsprint manufacturers have not been able to secure licenses permitting export of newsprint. This is of particular interest to Canadian manufacturers supplying the Autralasian market, as last year England shipped some 58,000 tons to Australia and New Zealand.

* * *

An estimated 500,000 cords of pulpwood will be cut within the next few months on the Lower St. Lawrence north shore limits. More than half of the wood will be cut in the Baie Comeau area for the Quebec North Shore Paper Co.

* * *

Some difficulty was experienced by Canadian producers in securing "bottoms" earlier in the month for the transportation of newsprint to the Antipodes markets. The difficulty has been overcome, but shipping charges have gone up, adding to the costs of the importer.

* * *

Holders of Hearst notes covering paper delivered as long ago as last April are feeling a little more cheerful these days. Payment at this time results in a premium of 10% when receipts are converted into Canadian funds. The additional revenue repays the operators in many ways.

* * *

Overseas shipments from Canada during September are expected to show a sharp falling off in volume owing to disturbance of shipping created by war conditions. However, the expectation is that conditions will be back to normal in October and November.

* * *

The American Newspaper Publishers Association is again advising its members as to various ways to economize on the use of newsprint paper. Previous representations resulted in a material saving to many publishers.

* * *

The sinking of the Swedish and Finnish woodpulp boats, with cargoes destined for England, does not increase confidence among American importers that the Scandinavians will be able to maintain regular shipments. All of which should result in making arrangements for a more secure source of supply.

* * *

Paper production in the U. S. in the first half of 1939 was near the high record. A few mills reported higher earnings than last year, sixteen of which showed profits in the half year of $3,255,688, compared with $2,834,892 for the same period last year. Two mills about equalled earnings for the first six months of last year, and 4 mills showed larger losses.

* * *

Prices on all grades of imported and domestic chemical pulp on the American market, except bleached soda pulp, advanced only moderately up to the end of the third week in September. Compared with earlier in the year, however, a number of substantial increases have been recorded.

* * *

About 30% of the pulp from northern European countries marketed in the United States has been carried in German ships. Delays from former transportation schedules are reported to have caused much anxiety in the import trade.

* * *

Gaspesia sulphite is understood to have arranged for the marketing of its bleached sulphite in the United States on quite favorable terms

* * *

American importers have been making enquiries in Canada regarding supplies of groundwood pulp. There is plenty of idle capacity but operators are not anxious to bring it into service unless they are assured of a reasonably long-term contract on a profitable price basis.

Brown Co. Status Shows Betterment

Expect Favorable Cash Balance Within Month as Trade Booms

From Our Own Correspondent

MONTREAL. — Brown Co. will show a favorable cash balance within a month as a result of business supplied by European hostilities, according to a statement made by officials of the company to the court when seeking permission to issue trustee certificates.

The Federal Court granted authority to issue $250,000 in trustee certificates to meet obligations on contracts with the city of Berlin, N.H.

Operations of the company's plant at La Tuque, P.Q., are understood to be at capacity, while the American mills have experienced a sharp gain in volume of sales.

Plans of reorganization are still in process and it is reported that a scheme has been submitted to the S.E.C. for approval.

Export Newsprint Sales Rise During August

From Our Own Correspondent

MONTREAL.—Further improvement in Canada's export newsprint trade is reported by the Dominion Bureau of Statistics. During August exports totalled 4,709,735 cwt. valued $10,194,899. This contrasts with 4,392,214 cwt. worth $9,601,715 in August, 1938.

U. S. Newsprint Buyers Continue to Prepay Freight

From Our Own Correspondent

MONTREAL.—Foreign exchange regulations laid down by the Canadian Government will not affect the present practice of American publishers prepaying freight charges on shipments of newsprint with Canadian dollars.

The publishers have followed the practice of sending American dollars to Canada for deposit in Canadian banks. This will continue to be permitted by the Bank of Canada, acting for the Exchange Board.

Abitibi Trend Should Change

Higher Shipments Indicate Improved Earnings in Coming Months

Earnings of Abitibi Power & Paper Co. for August showed a smaller decline from comparative figures of the preceding year than has been the case since April. Both newsprint and bleached sulphite shipments showed increases in August.

Moreover, it appears that the trend of earnings may have changed for the better. G. T. Clarkson, receiver and manager, estimates that September newsprint shipments will reach 31,500 tons. This would be almost 5,000 tons above September last year although still well below the 44,928 tons shipped in September, 1937.

Also shipments of bleached sulphite pulp are due for a sharp increase. Estimated September shipments are given as 4,900 tons, higher than in any month since August, 1937.

Whether or not Abitibi can overcome the 10.98% decline in the net earnings shown for the first nine months of 1938 or not can hardly be estimated with any certainty. But the outlook is for a good proportion of the decline to be offset as September should be the first month since March to show an increase over the corresponding month a year ago.

Comparative figures for monthly earnings and shipments follow:

Monthly Earnings

	1939 $	1938 $	Incr. %
January	*162,297	114,219	42.09
February	*125,556	77,469	62.07
March	*150,400	140,258	7.23
April	*175,446	181,932	▲3.57
May	*237,830	285,264	▲16.63
June	*199,330	331,067	▲39.79
July	*191,633	256,843	▲25.39
August	*215,389	250,338	▲13.96
	1,457,881	1,637,390	▲10.98

*Before depreciation of $148,750 and bond interest of $276,530. ▲Decrease.
*Before depreciation of $148,750 and bond interest, including interest on overdue and unpaid interest, of $271,502.

Newsprint Shipments (Short Tons)

	1939	1938
January	21,688	18,058
February	20,542	16,004
March	22,333	18,239
April	24,293	22,001
May	27,201	25,412
June	24,239	27,201
July	22,199	22,960
August	25,310	24,545
	187,205	174,420

Shipments of Bleached Sulphite (Short Tons)

	1939	1938
January	3,422	2,150
February	2,846	1,937
March	3,461	2,183
April	3,261	2,841
May	3,435	3,000
June	2,863	2,142
July	2,893	2,863
August	3,291	3,244
	25,472	20,360

Canada's Paper Imports Higher for Year to Date

From Our Own Correspondent

MONTREAL.—Imports of paper into Canada during July were valued at $629,350. This compares with $707,306 in June and $596,692 in July, 1938.

Finland Works To Keep Trade

U. S. Minister Confident of Regular Pulp and Paper Shipments

From Our Own Correspondent

MONTREAL.—Finland is going to make every effort to maintain its pulp and paper trade with the United Kingdom and the United States. At the moment the little Baltic country is fairly confident of maintaining regular supplies.

In respect to Finnish trade with the United States, the Hon. Hjalmar Procope, Minister from Finland to the United States, has issued a statement which reads, in part, as follows:

"I should like to emphasize that Finland like the other northern countries is doing her utmost to keep her foreign trade going and that she is confident of being able to do so. In Finland, like in the other European countries, the foreign trade is, of course, now under control and practically all exports are subject to special licenses, but this does in no way interfere with Finland's exports to the United States. From this point of view the regulations are purely formal measures of control, and from a technical point of view the maintaining of trade relations with this country should not encounter any special difficulties. Ships are able to proceed from Finland to the Swedish coast and then through the safe Swedish and Norwegian territorial waters to the northern part of the North Sea and to the Atlantic, thus maintaining trade in both directions between this country and Finland. As a matter of fact many ships have since the outbreak of war left Finnish ports for the United States. Besides this trade route there is always the possibility of sending goods to and from Finland in transit via Sweden and Norway and their always ice-free western ports. Finally Finland has one ice-free port on the Arctic."

Stocks of Newsprint Record Seasonal Gain

From Our Own Correspondent

MONTREAL. — Stocks of newsprint held by publishers in the United States showed a seasonal increase last month, advancing 27,556 tons to 412,248 tons.

With manufacturers' stocks standing at 301,430 tons at the end of August, aggregate North American stocks on the same date totalled 713,678 tons as compared with an increase of 23,006 tons over the total at the end of July, but a decline of 5,711 tons over the total on August 31, 1938.

Canadian mills reported stocks on hand at the end of last month of 214,659 tons. This was an increase of more than 12,500 tons compared with the previous month and represents a larger accumulation than reported at any time in the last five years.

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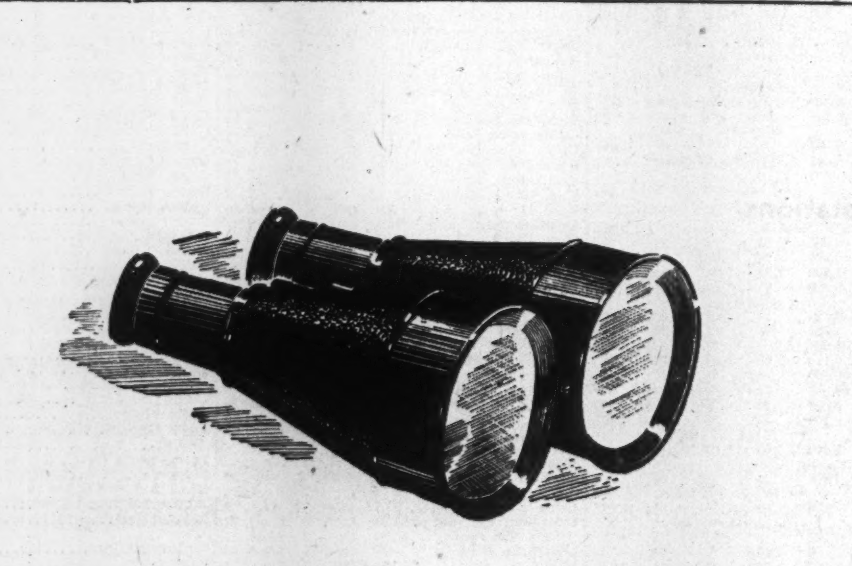
Sault Ste. Marie, Ont. | Fort William, Ont.
Port Arthur, Ont.
Newsprint
Groundwood Pulp | News Sulphite Pulp
High Grade Bleached Sulphite Pulp



The Best "Close-up" of a Business is often from a Long Distance Away

In many cases the necessity of keeping up to the daily production schedule, and the innumerable other details of operating a plant, prevent management from getting a "long distance" perspective on operations. Absorbed in immediate problems, management frequently is unaware of new processes, new methods, new machines that would both raise the quality and cut the cost of production.

Sellers of industrial machinery and like equipment can be of invaluable service to industry by keeping management abreast of the latest developments in manufacturing—and also by making it easy for industry to take advantage of new inventions and better methods as soon as they come along through I.A.C. amortized payment plans. As a matter of fact the new machinery can often be sold on a basis whereby the monthly instalments are no more, and in many cases even less than the savings enjoyed through the increased efficiency of modern equipment.

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Toronto and Montreal Exchange

The following table is confined to official prices for listed stocks, including curb market quotations. Where no transaction is recorded, bid and asked prices are given. For unlisted stocks, quotations by unlisted dealers are published. The Financial Post cannot accept any responsibility for such quotations.

WEEK ENDING OCTOBER 2

The Week's Quotations

Quotations: *1938. a On account of arrears. b New York quotations. ‡ Plus extra of $2 paid Feb. 1, 1939. †Interim.

Mining Stocks

Week Ending October 2.

Vancouver Stocks

Oil Quotations

1	.30	.11	Alta. Pac. Cons...	3,500	.25	.24	.23	.23
1	.01	.00½	Amalgamated....	10,000	.00½	.00½	.00½	.00½
No	1.52	.60	Anglo Canadian..	2,400	1.14	1.15	1.08	1.12
No	.16	.05	Anaconda.......	9,900	.11	.10½	.09½	.09½
No	.08	.06	Associated Oil....	......	(.06 Mar. 28)			
No	.04	.01	Baltac..........	2,550	.03	.03½	.02½	.03½
No	.33	.14	Brown Oil.......	1,200	.26	.25½	.25	.25
No	.19½	.06	Brit. Dominion ..	1,200	.11½	.17	.12½	.17
No	2.75	1.15	Calgary & Ed....	9,110	2.40	2.48	2.35	2.43
1	.64	.21	Calmont.........	19,600	.44½	.46	.40	.45
No	.58	.26	Commoil.........	39,300	.37	.40	.39	.39
1	.36	.21½	Commonwealth..	1,000	.25	.25½	.25½	.25½
No	.68	.33	Dalhousie.......	100	.55	.65	.65	.65
No	.59	.24	Davies Pete.....	......	(.32 bid .33 asked)			
No	.12	.04½	East Crest.......	2,500	.08	.07	.07	.07
No	.26½	.18	Extension.......	12,500	.26	.26½	.24	.24
25c.	.13	.07	Firestone........	1,000	.09	.09½	.09½	.09½
No	1.40	.55	Foothills........	......	(.75 bid .80 asked)			
No	.17½	.02	Freehold........	500	.03	.04	.04	.04
25c.	.13	.09	Foundation Pete	......	(.... bid .15 asked)			
No	.15½	.08½	Four Star.......	1,200	.13	.15	.15	.15
No	.20	.08½	Hargal..........	600	.20	.20	.20	.20
No	.35	.15	High Sarcee.....	500	.24	.25	.25	.25
No	3.75	1.22	Home Oil........	6,675	2.90	2.95	2.76	2.83
No	.07½	.02	Madison.........	700	.04½	.04½	.04½	.04½
No	.09	.02½	Marjon Oil......	39,100	.05	.05½	.04½	.04½
No	.22½	.09	McD. Segur Ex. .	10,700	.16½	.17½	.16½	.16½
No	.22	.06	McLeod.........	780	.06	.12	.12	.12
No	.13	.05½	Mercury.........	500	.09	.09½	.09½	.09½
No	.07½	.03½	Mill City Oil.....	1,000	.05	.06½	.06½	.06½
No	.10	.04½	Midwest Pete....	500	.05	.10	.10	.10
1	.49	.20	Model..........	2,500	.32	.32½	.30	.30
25c.	.11	.06	Monarch Royal..	800	.09½	.09½	.09½	.09½
25c.	.16½	.08	National Pete....	6,000	.12½	.13	.12	.12
1	.12	.05	Nordon.........	1,000	.05	.06	.06	.06
No	1.70	.66	Okalta..........	5,100	1.35	1.39	1.27	1.32
No	.12	.03	Pacalta Oil......	2,000	.08	.07½	.07	.07
25c.	.24½	.18	Prairie Royal....	2,700	.23	.23	.21½	.22
No	.12½	.09½	Royal Crest.....	4,000	.12½	.12½	.12	.13
No	45.00	29.00	Royalite.........	......	(20.50 bid 21.50 asked)			
No	.22	.14	Royal Canadian..	27,200	.21½	.21½	.20	.21½
No	.11½	.02½	South End.......	2,000	.05½	.05½	.05	.05
No	.75	.25	Southwest Pete ..	......	(.40 bid .55 asked)			
1	.12	.04	Spooner.........	500	.09	.11	.11	.11
25c.	.41	.30	Sunset Oil.......	1,700	.39	.39½	.39½	.39
No	.16	.06½	United..........	4,600	.11½	.12	.10½	.10½
No	.13	.04½	Vanalta.........	1,500	.08½	.08	.07	.07
1	.90	.35	Vulcan..........	412	.66	.63	.42	.42
No	.07½	.05	West Flank......	......	(.05 Aug. 12)			

Winnipeg Stocks

(Transactions from Sept. 25 to Sept. 30)

	Sales	High for period	Low for period	Close Sept. 30
Central Manitoba	1,500	.03½	.03¼	.03¼
Federal Grain, c.	170	2.20	2.20	2.20
Do., pref.	75	26.50	25.00	26.50
Gurney Gold	5,000	.03	.03	.03
Marvel Oils	1,500	.02	.02	.02
Ore Grande	2,000	.03	.03	.03
Packsack	500	.03½	.03½	.03½
Sachigo River	50	7.50	7.50	7.50
United Grain	8	5.50	5.50	5.50
Wingold	500	.03	.03	.03

Stocks Not Traded in During Week*

	Bid	Asked		Bid	Asked
Beaver Fire	75	..	N. Can. Mtge., pf.	2½	..
Beav. Lumber, c.	2¼	..	North. Mtge.	1½	..
Do., pref.	..	97½	North. Trusts ...	..	6
Can. Indemnity..	125	..	Traders Bldg. ..	55	..
Dom. Envelope ..	2	3	West. Brew.	1.40	1.50
Do., pref.	94	96	West. Grain, p. .	6½	8½
Home Invest. ...	..	13	West. Steel	7	8½

*Stocks more active on other exchanges not included.

Volume of Stock Sales

	Montreal Markets Indust.	Montreal Markets Mines	Toronto Markets Ind. & Mines	Vancouver Markets Ind. & Mines
Oct. 3	55,400	19,700	163,000	43,620
Oct. 2	51,600	33,900	215,000	28,780
Sept. 30	53,000	14,000	204,000	44,235
Sept. 29	57,000	35,400	211,000	49,137
Sept. 28	70,100	39,800	254,000	54,800
Sept. 27	115,900	50,800	313,000	57,380

Government Bonds

(Supplied by Investment Dealers' Assoc. of Canada)

Oct. 3, 1939

Dominion of Canada Bonds

%	Due	Bid	Ask	Approx. Yld.
1½	June '40	99½	100¼	1.11
4½	Sept. '40	102	103	1.20
1	Mar. '41	98½	99½	1.54
5	Nov. '41	105½	106½	1.92
1½	May '42	99¾	98½	2.00
2	June '42	99	100	2.00
3	Oct. '42	100¾	101¾	2.40
2½	June '43	99½	100½	2.43
5	Oct. '43	107½	108½	2.80
2	June '44	96½	97½	2.63
a2½	Jan. '44	89½	90½‡	4.81
4½	Oct. '44	105¾	106¾	3.04
2½	Nov. '44	97½	98½	2.81
a2½	Aug. '45	88½	89½‡	4.57
4	Oct. '45	102½	103½	b3.13
4½	Feb. '46	105½	106½	3.35
3½	June '49	97	98	3.49
3½	Oct. '49	99	100	3.50
3½	Nov. '51	96½	97½	3.53
a4	May '52	99½	100½‡	b4.89
4	Oct. '52	101¾	102¾	b3.60
3	June '55	92½	93½	3.56
4½	Nov. '56	104	105	b3.69
4½	Nov. '57	104½	105½	b3.70
3	June '58	91½	92½	3.55
4½	Nov. '58	105½	106½	b3.68
4½	Nov. '59	105½	106½	b3.72
a4	Oct. '60	87½	89‡	4.84
a3½	Jan. '61	80½	82‡	4.57
3½	June '66	94	95	3.54
a3e	Jan. '67	78½	79½‡	4.27
a3e	Nov. '68	77½	78½‡	4.30
†3	Perpet'l.	85½	86½	3.48

Dominion Guaranteed Bonds

Can. Nat'l. Railways:

%	Due	Bid	Ask	Approx. Yld.
2	Feb. '43	97	98½	2.45
2½	Jan. '46	93¾	94¾	3.18
3	May '44	99½	100½	2.88
3	Dec. '50	93½	94½	3.59
3	Feb. '53	92½	93½	3.64
3	Jan. '59	91½	92½	3.56
*4½	Sept. '51	107½	109	3.57

%	Due	Bid	Ask	Approx. Yld.
*4½	Feb. '56	108	109½	3.72
c4½	July '57	108	109½	3.77
*4½	June '55	110	111½	3.78
5	Feb. '54	111½	113	3.82
*5	July '69	109	110½	b3.55
*5	Oct. '69	111½	113½	b3.84
*5	Feb. '70	111½	113	b3.87
Provincial Gov't. Bonds				
New Brunswick:				
3	Oct. '51	85	87	4.40
3½	Aug. '49	88	90	4.50
3½	June '56	85	87	4.61
c4	Nov. '47	96½	98½	4.22
c4½	Apr. '61	99	101	4.43
c5	Jan. '60	102	104	4.70
Nova Scotia:				
3	Jan. '52	89	91	3.92
3½	June '56	90	92	3.90
3½	Nov. '50	93½	95½	4.00
c4½	Sept. '52	100½	102½	b4.12
c4½	Nov. '60	101	103	4.28
c5	Mar. '60	105½	107½	4.44
Ontario:				
2½	May '45	95	97	3.08
3	Apr. '48	93½	95½	3.61
3	Nov. '50	92½	94	3.67
3½	Nov. '51	94½	96½	3.61
*4	June '62	99½	101½	3.90
4½	June '50	105½	106½	3.77
*4½	Jan. '63	105	108	3.96
5	Oct. '48	108½	109½	3.75
*5	Dec. '60	112	115	3.96
5½	July '46	109½	111	3.65
Ont. Hydro Commission:				
3	Aug. '48	93	95	3.67
3½	Feb. '53	94½	96½	3.58
3½	Apr. '47	97½	99½	3.57
Prince Edward Island:				
3	Oct. '45	93	96	3.75
Quebec:				
3	Nov. '51	89½	91½	4.26
3	Nov. '51	84½	86½	4.46
3½	Mar. '48	90	92	4.39

%	Due	Bid	Ask	Approx. Yld.
3½	June '52	87	89	4.37
4	Mar. '52	95	97	4.31
4½	Aug. '58	96	98	4.49
4½	Jan. '63	98½	100½	4.47
Alberta:				
4	Dec. '54	52	56	d
4½	Oct. '51	58	62	d
c4½	Oct. '56	54½	58½	d
*5	Oct. '59	57	61	d
c5½	Apr. '52	58½	62½	d
6	Mar. '47	60½	64½	d
British Columbia:				
c4	Dec. '57	90	93	4.58
*4½	Jan. '51	93	96	4.95
c4½	Oct. '53	93	96	4.95
c5	Apr. '54	96	99	4.90
5½	Feb. '45	96½	99½	5.10
6	Feb. '47	98½	101½	5.60
Manitoba:				
c4	Dec. '57	79½	83½	5.75
c4½	Dec. '56	84	88	5.43
*5	Dec. '59	86	90	5.58
5½	Oct. '55	91½	95½	5.85
6	Apr. '47	96	100	5.94
Saskatchewan:				
4	Sept. '54	62½	66½	7.82
4	Nov. '60	61½	65½	7.21
c4½	Oct. '51	75½	79½	7.07
c4½	Mar. '60	68	70	7.35
5	Aug. '58	72	76	7.37
5½	Oct. '52	78	82	7.72
6	Mar. '52	81	85	7.90

*Payable Can., N.Y. & £. b–Calculated to call date giving lowest possible yield. c–Payable Can. & N.Y. a–Payable N.Y. †Callable on or after Sept. 15, 1966. d–Traded flat. Interest being paid at 50% of coupon rate, minimum rate 2%. e–Callable at a premium. ‡N.Y. funds.

Unlisted Stocks

(Furnished by A. J. Pattison Jr. & Co., Toronto)

Oct. 3, 1939

Industrials:	Bid	Ask.
Acme Farm., p.	15	..
Andian National	34	38
Anglo C. Tel., A	8	8¾
Barrymore, pfd.	17½	..
B. C. Pulp, c. ...	19	21
Do., pfd.	45	..
B. C. Sugar	86½	..
Burns & Co., A	6½	7½
Do., B	3½	4½
Canada Tea, pf.	20	24
Can. Co-op. W'l.	6½	..
Can. G'drich, c.	1½	..
C. I. L., A c. ...	228	..
Can. Ing. Rand .	135	138
Can. Tube, 1st p.	65	..
Chase, A. W., p.	25	26
Claude Neon, p.	4½	5½
Cons. Sales B., p	..	78
Cope. Flour Unit	7½	..
Dom. Wooll's., p.	6¾	7½
Dunlop Tire, p. .	21	22
Easy Wash. p $10	6	8
Fed. Grain, pfd.	26½	27½
Do., com.	2	2½
Goderich Elev. .	8	..
Guard. Realty, p	..	16
Guelph Carp., p.	97	100
Do., com.	11½	..
Hayes Steel, c. .	19	20
Do., pfd. ($10)	10½	11
Hi'land Dairy, p.	74	..
Do., com.	2½	..
Kingston Sh. un.	15	..
Loblaw Inc., c. .	10½	10¾
Maritime Tel., c.	14	15
M'row Screw, p.	98	..
Mt. Royal H., p.	3	3½
Neilson, Wm., c.	8	..
Do., pfd.	102	..

	Bid	Ask.
N. B. Tel., c. ..	11½	12½
N. Meth. Ldy., p	58	63
Office Spec., p.	70	..
Ont. Tob., pfd. .	22	24
Paterson Wm., p	103	..
Prov. Paper, pfd	100	102
Reliance Gr., pf.	39	41
Rob'tson, P. L. p	90	..
Rob. Cons. Cone	7¾	8½
Ruddy, E. L., p.	27	30
Seal O Sac (Can)	3	4
Stand. Fuel, c. .	1½	..
Do., pref.	46	50
Stedman Br., pf.	55½	57
Tor. Carpet, c. .	18½	22
Do., pfd.	52	56
Un. F. Co-op. ..	2¾	2¾
Un. Steel, A pf.	21	22½
Viceroy, p. & rts	23	24
West. Grain, pf.	6½	8½
West. Steel, c. ..	7	8½
Weston Hold. ..	..	6
Trusts & Loan Stocks:		
Brit. Mtge.	151	154
Com. Fin., c. ...	2¾	3½
Guaranty Tr. ...	96	100
Guelph & C., $50	52	55
Lambton Loan .	32	35
London & West.	38	41
Sherbrooke Tr. .	120	..
Sterling Trust ..	52	60
Traders Fin., B c	8½	10
Do., A pfd. ..	67	..
Trusts & Guar. .	27	28
Waterloo Trust .	99	..
Insurance Stocks:		
Brit. Amer.	52	..
Canada Life ...	450	475
Confed., 30% pd.	142	152

	Bid	Ask.
Crown, fully pd.	255	..
Dominion Fire .	134	..
D. of Can. Gen..	105	120
Empire, 25% pd.	..	7
Excelsior Life ..	55	59
Federal, 25% pd.	50	53
Great-West Life	220	230
Halifax Fire ...	16	18
Imperial Life ..	280	300
Manufac. Life ..	220	235
Monarch 10% pd	21	23
Sov. L., 25% pd.	14	..
Sun Life	325	375
Tor. General ...	5½	8
Western Assce. .	48	51
Theatre Stocks:		
Allens, King., p.	..	62
Do., London, p	..	33
Do. St. Cath. p	..	54
Do., Tor., p. c.	..	33
Mansf. Theat., p	..	30
Midland Prop., p	3½	5½
Para., Kitch., p.	50	54
Do., Oshawa, c	9	12
Investment Trust Shares:		
Can. Investors .	5½	6
Deb. & Sec., pf.	70	..
Inv. Found. Unit	52	55
Sec's. Hold., pf.	17	19
United Corp., A	20	22
Do., B	12½	14
Power Issues:		
Can. W. N. Gas	23	..
Do., pfd.	95	98
Int. Util., 1.75 p.	15½	17
Do., 3.50 pfd.	34	36
Gt. Lakes Pr., p.	97	100
Mtl. Is. Pwr., p.	20	23
Nor. Ont. Pr., p.	90	94

Unlisted Mines

Toronto, Oct. 3, 1939

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Addingt'n	.03½	.04½	Donwood	.04½	.06	Mag Lak	.11	.13	Privateer	.85	.90
Albany R	.15	.17	Dumico	.04	.04½	Mart Bird	.03½	.04½	Propriet'	1.60	1.65
Amorada	.02	.03	Elmos	..	.15	Margaret	..	.11	Presdor	.01½	.02
Anoki	.06	.09	Faulken'a	.01	.01¾	Mat Can	.03	.04	Que Man	.09	.10
Arjon	.01¾	.02¾	Frontier	.01½	.02½	Mof H N	.02	.03	Rand Mal	.04	.06
Armistice	.01½	.02½	Galore	.03	.04	Mooshla	.03	.05	R L Gold	.01½	.02
Argosy	.03	.03½	Gate Pat	.01½	.01¾	Mosher	.05	.06	Rh Rouyn	.01¾	.02
Arno	.01	.02	Gold Gate	.16½	.18	Mylamaq'	.01	.01½	Rose God	.05	.07
Area	.03¾	.04½	Granada	.02½	.03½	Nat Mal	.17	.20	Sach Riv	5.75	6.50
Athona	.03	.04	Hallnor	6.00	6.75	Negus	.45	.55	Shenango	.04	.05
Barb Lar	.01½	.02½	Hiawatha	.50	.52	N Am M	1.09	1.14	Sheldon	..	.05
Ber Lake	.17	.20	Hislop	.00¾	.01½	N Ribago	.02	.02½	Sis Ext	.01	.02
Big Mastr	.01½	.02½	Hoyle N	.15	.18	Nick Off	.50	.70	SkynnerL	.04	.05
Bilmac	.02	.03	H Pam Po	.03	.04	Norbeau	.23	.30	Smelter	.02	.02½
Cald Bous	.01	.03	Hutch Lk	.02	.02½	Norlake	.01¾	.02¾	Spooner	..	.05
C Rouyn	.00¾	.01	Jason	..	.38	Oklend	.07	.08	Steep R	1.30	1.40
Cent Man	.03	.03½	Keora	.01¾	.02¾	O'Lea Ma	.02	.02¾	Sunbeam	.04	.07
Cheminis	.04	.05½	Kaw Crw	.01	.02	Opemiska	.06	.09	Springer	.06	.07
Cochenou	.40	.42	Kenricia	..	.15	Oriole	.01	.01½	Thomp L	.13	.14
Coin Lake	.04	.05	Kewaga'a	.02½	.03	Orpit	.02	.03	Un Mini'g	.04	.05
Crescent	.03½	.04	Kiena	..	.11	Ossian	.01	.01½	Upp Can	.47	.50
Crowsho'e	.05	.08	Kirk Gate	..	.01½	Pascalis	..	.30	Walk Pat	.01½	.02
Dawson	.01	.01¾	L Dufau	.24	.25	Payore	.01½	.02	Wells L L	.12	.14
Dayton	.03	.04	L Geneva	..	.15	Phoenix	.13	.14	Westwood	.02	.03
Delnite	.75	.80	Lardego	.02	.02¾	Pon Rouy	.10	.12	Win C Rts	.04½	.05
De San N	.08	.12	Low Pete	.40	.46	Pelangio	.01	.02	Woco	.07	.09
Dona Pat	.09	.10	Mag Cons	.50	.52	Polaris	.30	.35	Y David	.24	.26

Montreal, Oct. 3, 1939

	Bid	Ask		Bid	Ask		Bid	Ask		Bid	Ask
Abbeyv'e	.02½	.03½	L Lag'n	.03	.05	Obalski	..	.04	Tiblem't I	.02	.03
Brown B	.01	.02	L Rowan	.02½	.03½	Pan Can	.03½	.04½	Valdor M	..	.65
Chibmac	.01	.02	Leroy	..	.01	Routh'r C	..	.03	Warren'c	..	.05
Demp'y	.01	.02	Louvre	..	.01½						

Dividends Declared

	This payment	Date payable	Date of record
B. C. Tel., 2nd p.f.	$1.50	Nov. 1	Oct. 17
Bralorne Mines	20c	Oct. 14	Sept. 30
Do., extra	10c	Oct. 14	Sept. 30
Brant. Cord., pf. .	32½c	Oct. 15	Sept. 20
B. C. Power, A ...	50c	Oct. 14	Sept. 30
Bell Telephone	$2	Oct. 16	Sept. 23
Calgary & Edm. ..	10c	Nov. 15	Oct. 14
Com. Alcohols, p. .	10c	Oct. 16	Oct. 2
Can. For. Inv., c. ..	70c	Nov. 1	Oct. 15
Can. Gen. Inv. ...	12½c	Oct. 16	Sept. 30
Can. Tube & Stl., p.	$1	Oct. 16	Oct. 7
Can. W. & C., A	$1	Dec. 15	Nov. 30
Cosmos Imp., pref.	$1.25	Oct. 14	Sept. 30
Can. Fairbanks, pf.	$1.50	Oct. 16	Sept. 30
Can. Indust., A, B	$1.75	Oct. 31	Sept. 30
Do., pref.	$1.75	Oct. 16	Sept. 30
Can. North. Pwr. ..	30c	Oct. 25	Sept. 30
Do., pref.	$1.75	Oct. 16	Sept. 30
Can. Bronze	37½c	Nov. 1	Oct. 20
Do., pref.	$1.25	Nov. 1	Oct. 20
Can. Bk. of Comm.	$2	Nov. 1	Sept. 30
Can. Silk Prod., A	37½c	Oct. 1	Sept. 15
Coast Brew.	3c	Nov. 1	Oct. 7
Detroit & C. Tun.*	$1	Oct. 16	Sept. 30
Dom. Tar, pref .	$1.37½	Nov. 1	Oct. 12
Dom. Oilcloth .	30c+10c	Oct. 31	Oct. 16
Dom. Textile, pref.	$1.75	Oct. 16	Sept. 30
Distillers Seag., p.	$1.25	Nov. 1	Oct. 16
Dome Mines	50c	Oct. 20	Sept. 30
Dominion Bank ..	$2.50	Nov. 1	Oct. 20
Gt Lakes Power, p.	$1.75	Oct. 16	Sept. 30
Gen. Steel W., pf. ..	$1.75	Oct. 16	Oct. 2
Gordon & Belyea, p.	$1.50	Oct. 2	Sept. 27
Do., 2nd pref. ...	$1.50	Oct. 2	Sept. 27
Guardian Rlty., p. .	50c	Oct. 14	Sept. 30
Hollinger Cons. ..	5c	Oct. 7	Sept. 23
Do., extra	5c	Oct. 7	Sept. 23
Inter. Metal, pf. ..	$1.50	Nov. 1	Oct. 14
Do., A pref.	$1.50	Nov. 1	Oct. 14
Inter. Nickel, pfd.	$1.75	Nov. 1	Oct. 2
Imperial Bank	$2.50	Nov. 1	Sept. 30
Inter. Milling, p. ..	$1.25	Oct. 14	Sept. 30
Inv. Foundation, p.	75c	Oct. 16	Sept. 30
Do., arrears	25c	Oct. 16	Sept. 30
Imperial Life	$3.75	Oct. 2	Sept. 30
Kerr Lake M.	10c	Oct. 20	Oct. 5
Kirkland Lake	4c	Nov. 1	Oct. 2
Do., extra	1c	Nov. 1	Oct. 2
Koot. Belle Gold .	4c	Oct. 21	Oct. 14
Montreal Tele. ...	‡68c	Oct. 16	Sept. 30
Mtl. L. H. & Pwr.	37c	Oct. 31	Sept. 30
Montreal Trams. ..	$1.50	Oct. 14	Oct. 3
McColl-Front., pf.	$1.50	Oct. 14	Sept. 30
Moneta Porc.	3c	Oct. 14	Sept. 30
McWatters Gold ..	10c	Oct. 10	Sept. 30
Nat. S'eel Car ...	50c	Oct. 14	Sept. 30
Orange Crush, p. .	35c	Nov. 1	Oct. 16
O'Brien Gold	10c	Oct. 16	Sept. 30
Powell Rouyn	5c	Oct. 16	Sept. 30
Power Corp., pf. ..	$1.50	Oct. 16	Sept. 30
Do., 2nd pref.	75c	Oct. 16	Sept. 30
Premier Gold	3c	Oct. 16	Sept. 18
Penmans	75c	Nov. 15	Nov. 6
Do., pref.	$1.50	Nov. 1	Oct. 21
Saguenay Pr., p.	$1.37½	Nov. 1	Oct. 16
Smith, H. Pap. pf.	$1.50	Oct. 16	Sept. 30
South. Can. Pr., P.	$1.50	Oct. 16	Sept. 20
Sheep Creek G.	4c	Oct. 14	Sept. 30
Do., extra	1c	Oct. 14	Sept. 30
Sullivan Cons.	3c	Oct. 31	Oct. 16
Do., bonus	1c	Oct. 31	Oct. 16
Steel of Can.	43¾c	Nov. 1	Oct. 6
Do., pref.	43¾c	Nov. 1	Oct. 6
Silbak Prem.	4c	Oct. 25	Oct. 5
Tor. Elevators, pf.	66c	Dec. 7	Nov. 23
Tuckett Tob., p. ..	$1.75	Oct. 14	Sept. 30
Union Gas	20c	Dec. 15	Nov. 20
Weston, Geo., pfd.	$1.25	Nov. 1	Oct. 14
West. Grocers	75c	Oct. 15	Sept. 20
Do., pref.	$1.75	Oct. 15	Sept. 20
W'minster Paper ..	25c	Nov. 1	Oct. 15
Zellers, pfd.	37½c	Nov. 1	Oct. 14

*Initial. ‡Net.

Mining Dividends

		Close Oct. 2	Yield %
Beattie Gold	15c	1.00	15.0
Bralorne	80c+40c	10.63	*11.3
Buffalo Ankerite	$1	7.00	14.3
Bulolo Gold	$3	18.50	16.2
Can. Malartic	9c	.52	17.3
Cariboo Gold	16c+5½c	1.75	*12.2
Central Patricia	16c+5c	2.08	*10.1
Coniagas	25c	1.50	..
Coniaurum	15c	1.25	..
Cons. Smelters	$1+$1	51.00	*3.9
Dome Mines	$2	26.75	7.5
Falconbridge	30c	4.70	6.4
God's Lake	†5c	.39½	..
Goldale	†2c	.17	..
Gunnar Gold	6c	.50	12
Hollinger	65c+45c	13.00	*8.4
Howey Gold	3c	.22	..
Hudson Bay	$1.50	30.50	4.9
Inter. Mining	40c	9.87	4.1
Inter. Nickel, com.	$2	46.00	4.3
Island Mountain	10c	.80	12.5
Kerr Lake	15c	.30	..
Kirkland Lake	8c+2c	1.19	*8.4
Kootenay Belle	16c+4c	.70	..
Lamaque Gold	40c+17c	6.20	*9.1
Lake Shore	4c	34.50	..
Lava Cap M.	11c	.70	..
Leitch	8c	.70	11.4
Little Long Lac	30c	2.60	11.6
Macassa	20c+7½c	3.85	*7.1
McGillivray Coal	3c	.21	...
McKenzie Red Lake	12c	1.12	10.7
McWatters	10c	.53	..
Moneta	12c	.85	14.1
McIntyre Porc.	$2	48.75	4.1
Nipissing	15c	1.15	..
Noranda	$4	72.50	5.5
North Empire	80c	7.75	10.3
O'Brien Gold	20c	1.75	..
Pamour Porc.	8c	1.75	..
Pato Cons.	10c	2.10	..
Paymaster	2c	.31	..
Perron Gold	16c+1c	1.70	*10
Pioneer, B.C.	40c	2.10	..
Pickle Crow	40c	4.10	9.7
Placer Develop.	$1.20	10.00	12
Premier	12c	1.30	9.2
Privateer Mine	20c+2c	.90	..
Powell Rouyn	†5c	1.55	..
Quebec Gold	†2c	.30	..
San Antonio	14c	1.73	8.1
Sheep Creek	16c+3c	1.14	*16.6
Silbak Prem.	16c	1.10	14.5
Siscoe	12c	.90	..
Sudbury Basin	5c	2.03	..
Sullivan Cons.	6c+1c	.80	*8.7
Sylvanite Gold	20c+5c	2.85	*8.8
Teck-Hughes	40c+5c	3.85	*11.7
Toburn	8c+6c	1.50	*9.3
Ventures	15c	4.00	..
Wright-Harg.	40c+30c	7.25	*9.8

*Yield including bonus. †Initial.

Municipal Bonds

Oct. 3, 1939

†Halifax ...	5	1961	104.00	107.00	4.50
Hamilton..	5	1950	102.30	104.30	4.50
Montreal ..	5	1945	94.00	97.00	5.65
Ottawa ...	4½	1945	101.90	103.90	3.75
†Quebec ...	5	1959	100.00	103.00	4.76
Saint John	5	1950	101.00	*104.00	4.55
†Toronto ...	4½	1955	100.80	102.80	4.25
†Vancouver.	5	1950	93.00	98.00	5.25
Winnipeg .	5	1944	94.00	99.00	5.25

†Payable Can. and N.Y.

Public Utility Earnings

Jamaica Public Service
August

	1939	1938
Oper. revenue	$84,007	$77,361
Other income	402	420
Total revenue	84,409	77,781
Net income	20,331	14,515

Investment Trusts

	Bid	Asked
Affiliated Fund	3.81	4.17
Can. Inv. Fund	4.00	4.40
Can. Amer. Trust	3.60	4.00
All Can. Trustee	11.50	12.25
Grouped Income	....	6.20
Trans Canada	....	13.75

Tamblyn Ltd. Reports Quarter Profits Hold

Sales of G. Tamblyn Ltd. have been affected during the past few months by unsettled business conditions, the company states in a letter accompanying the regular quarterly dividend of 20 cents on the common stock. Business during the quarter, however, compares favorably with the general index of business activity, and profits have been well maintained, according to the company.

The letter reports that the appointment of dealer accounts has been going ahead, and Tamblyn dealers report better business, which they attribute to the dealer rights.

Corporation Bonds

(Supplied by Investment Dealers' Association of Canada)

October 3, 1939

Public Utility Issues:	Int. Rate %	Due	Bid Oct. 3	Asked	Bid Sept. 26
†Assoc. Tel. & T.	5½	'55	77	81	76½
Beauharnois P.	5	'73	96½	100½	94
B. C. Power ..	4½	'60	94	98	90
B. C. Tel.	4½	'61	100½	104½	98
†Calgary Pwr. .	5	'60	100½	104½	99
Do.	5	'64	98	102	97
†Can. Nor. Pwr.	5	'53	100½	104½	100
*Dom. Gas & El.	6½	'45	93½	97½	91½
Gatineau Pwr..	5	'49	98	102	97
Do., A	3¾	'69	92	96	89
Gt. Lakes Pwr.	4½	'56	91½	95½	89
*Int. Hydro-E. .	6	'44	81	85	81½
▲Inter. Power ..	6	'55	97	101	97
Macl'n-Que. Pr.	4	'59	92	96	90½
Mtl. L. H. & P.	3½	'56	92½	96½	91
†Mtl. Tramways	5	'41	93	97	93
†Do.	5	'55	65	69	65½
Nat. Lt. & Pwr.	6	'49	91½	95½	89
N. S. Lt. Pr. .	4	'57	94	98	94
Ottawa H. & P.	4	'57	94	98	93
Ottawa V. Pwr.	5	'59	97½	101½	97½
†Power Corp. ..	4½	'59	92½	96½	91½
Quebec Pwr. .	4	'62	94½	98½	92½
*Saguenay P., B	4½	'66	98	102	96
Shaw. W. & Pr.	4	'61	95	99	94
Union Gas ...	4½	'50	97	101	95
United Secs. ..	5½	'52	63½	67½	62
†Wpg. El., ser. A	4	'65	69	73	67
Industrial and Realty Issues:					
†Abitibi P. & P.	5	'53	63	67	64½
Acadia Sugar .	4½	'55	98	102	97
†Alta. Pa. Grain	6	'46	94½	98½	94
Atlantic Sugar	4	'51	96	..	95½
†B. C. P. & Pap.	6	'50	74	79	74
*Brown Co.	5½	'46	52	56	54½
Burns & Co. ..	5	'58	60½	64½	63
Canada Bread .	6	'41	105	108	105
Canada Cement	4½	'51	97	101	96
Can. Steamship	5	'57	88½	92½	86½
Can. Canners .	4	'51	98	102	97
*Can. Int. Paper	6	'49	95½	99½	92½
*Candn. Vickers	6	'47	73	77	72
†Consol. Paper .	5½	'61	58½	62½	59½
▲Dom. Stl. & C.	6½	'55	110	114	108
Dom. Tar	4½	'51	96	100	95
†Donnacona P. .	4½	'56	72½	76½	73½
Famous Players	4½	'51	93	97	93
†Federal Grain .	6	'49	94½	98½	94
†Fraser Cos. ...	6	'50	96½	100½	96½
Gen. Stl. Wares	4½	'52	95	99	92
*Great Lakes P.	5	'55	86	90	86½
†Gypsum, Lime	5½	'48	92	96	88
Ham. By-Pr. C.	5	'55	95½	99½	..
Lake St. J. P.	5½	'61	85	90	83
†Maple Leaf M.	3	'58	70½	74½	70
Massey-Harris .	4½	'54	91½	95½	88
McColl-Fron. .	4½	'49	95	99	92
McCormick's ..	4	'52	83	87	83
*M. & O. Paper	6	'45	43	47	44
N. S. Stl. & Co.	3½	'63	83	87	83½
Price Bros. ...	5	'57	92	96	91
*Prov. Paper ..	5½	'47	99	103	99
Reliance Grain	4½	'52	88½	92½	89
†Restigouche Co.	6	'48	94½	98½	91½
Simpsons Ltd..	4½	'51	94	98	92
Smith, Howard	4½	'51	97	101	97
†Steel of Can. .	6	'40	108	112	107
*United Gas ...	5½	'48	99	103	99
United Gr. Grs.	5	'48	94	98	94
†Western Grain	6	'49	38	42	39

*Payable in Can. or U. S.
†Payable in Can., U. S. or U. K.
▲Payable in Can. or U. K.
*Payable in U. S. only.

DIVIDEND NOTICES

The Dominion Bank

Dividend No. 228

Notice is hereby given that a Dividend of two and one-half per cent upon the paid up Capital Stock of this Institution has been declared for the quarter ending October 31st, 1939. The dividend will be payable at the Head Office of the Bank and its Branches on and after Wednesday, the first day of November, 1939, to shareholders of record of the 20th October, 1939.

By Order of the Board.
ROBERT RAE,
General Manager.
Toronto, 14th September, 1939.

The Canadian Bank of Commerce

Dividend No. 211

Notice is hereby given that a dividend of two per cent in Canadian funds on the paid-up capital stock of this Bank has been declared for the quarter ending 31st October, 1939, and that the same will be payable at the Bank and its Branches on and after Wednesday, 1st November next, to shareholders of record at the close of business on the 30th September, 1939. The Transfer Books will not be closed.

By Order of the Board,
A. E. ARSCOTT,
General Manager.
Toronto, 22nd September, 1939.

The Steel Company of Canada, Limited

Preference Dividend No. 113

Notice is hereby given that a dividend of forty-three and three quarters cents (43¾c) per share on the Preference Shares of the Company has been declared for the quarter ending September 30, 1939, payable November 1, 1939, to shareholders of record at the close of business October 6, 1939.

By Order of the Board,
H. S. ALEXANDER,
Hamilton, Ontario, Secretary.
September 25, 1939.

The Steel Company of Canada, Limited

Ordinary Dividend No. 91

Notice is hereby given that a dividend of forty-three and three quarters cents (43¾c) per share on the Ordinary Shares of the Company has been declared for the quarter ending September 30, 1939, payable November 1, 1939, to shareholders of record at the close of business October 6, 1939.

By Order of the Board,
H. S. ALEXANDER,
Hamilton, Ontario, Secretary.
September 25, 1939.

THE Calgary & Edmonton Corporation Limited

Notice is hereby given that a dividend of ten cents per share has been declared payable 15th November, 1939, to shareholders of record at the close of business on the 14th October, 1939. The Transfer books of the Corporation will be closed from the close of business on the 14th October, 1939, to the opening of business on the 1st November, 1939.

Holders of stock not registered in their names should effect registration before the closing of the books.

BY ORDER OF THE BOARD,
C. E. REECE,
SECRETARY.
Dated at Winnipeg, this 28th day of September, 1939.

Canadian Bronze Company Limited

DIVIDEND NOTICE

THE quarterly Dividend of 1¼%, on the PREFERRED STOCK of CANADIAN BRONZE COMPANY, LIMITED, has been declared payable the 1st day of November, 1939, to Stockholders of record as of the 20th day of October, 1939.

Also a quarterly Dividend of Thirty-seven and one-half (37½c) Cents per Share has been declared on the present outstanding COMMON STOCK of CANADIAN BRONZE COMPANY, LIMITED, for the three months ending October 31st, 1939. Payable the 1st day of November, 1939, to Stockholders of record as of the 20th day of October, 1939.

By Order of the Board,
W. C. PAQUETTE,
Secretary.
Montreal, P.Q.,
September 29th, 1939.

Construction Holds Up In War's First Month

Current Trends Of Construction

Trends of construction activity in Canada last month and so far this year, broken down according to the chief categories of projects, are shown in the following tabulation by The Financial Post:

CONSTRUCTION CONTRACTS AWARDED

First Nine Months:	1939	1938	—Change— 1939	%
	— Millions of $ —			
Residential ...	53.5	41.3	+12.2	+29
Business	45.1	47.1	—2.0	—4
Industrial	16.1	12.6	+3.5	+27
Engineering ..	35.7	42.6	—6.9	—16
Total	150.8	143.5	+7.3	+5
September Totals:				
Residential ...	5.4	4.6	+0.8	+17
Business	6.2	7.6	—1.4	—18
Industrial	0.8	0.9	—0.1	—11
Engineering ..	6.9	6.4	+0.5	+7
Total	19.3	19.5	—0.2	—1

Detail of September Awards

	— September — 1939 $	1938 $
Apartments	512,000	207,000
Residences	4,933,000	4,438,200
Total residential	5,445,000	4,645,200
Churches	140,500	772,000
Pub. garages	410,800	474,200
Hospitals	1,002,500	820,000
Hotels, clubs	150,500	185,300
Office bldgs.	304,100	717,800
Public bldgs.	1,524,300	1,290,100
Schools	1,239,300	1,187,800
Stores	467,700	1,632,100
Theatres	124,400	108,000
Warehouses	819,100	373,600
Total business	6,183,200	7,560,900
Total industrial	771,800	911,600
Bridges	307,400	302,300
Dams, wharves	1,108,900	935,100
Sewers, watermains ..	200,300	141,500
Roads, streets	5,259,300	3,123,800
General engineering .	103,200	1,914,500
Total engineering ..	6,979,100	6,417,200
GRAND TOTAL	19,379,100	19,534,900

Contract Awards Decline Only 1% During September

CUMULATIVE STILL UP

Canadian construction activity held up relatively well during its first month under war conditions, and in several divisions showed an increase over last year. Total of construction contracts awarded during September, as compiled by MacLean Building Reports, showed a decline of only 1% under the same month of 1938, though there was a more than seasonal decline under August of this year.

Surprisingly enough, there was a decline of 11% in industrial construction, which might reasonably have been expected to show an advance in preparation for war production. Presumably industry is waiting to learn the nature and extent of war material orders to be placed in Canada before embarking on any expansion programmes. However, as a result of large projects launched during the summer, the cumulative total of factory building for the first nine months is 27% over last year.

Residential construction in September showed a continued increase, though the extent of the advance (17%) was only about half the rate of increase displayed in recent months. Engineering awards also increased, mainly because of the highway improvement programmes in Quebec province. Decline of business construction evident in recent months was accelerated during September.

New Building

Imperial Tobacco Co. of Canada has awarded contract for construction of three metal-clad factory buildings at Ville La Salle, Montreal, at estimated cost of $130,000.

Robert Simpson Co. has awarded general contract to **Anglin-Norcross Ontario Ltd.** for construction of five-story addition to six-story mail order building on Mutual Street, Toronto.

Bank of Montreal has announced indefinite suspension of further work on projected 16-story Ontario headquarters building in Toronto. It is understood work already started on foundations and first three stories of steel work, will be completed.

National Steel Car Corp. is having plans drafted for construction of addition to its plant in Hamilton, Ont.

Macy's Start Selling On Installment Plan

R. H. Macy & Co. Inc. of New York has announced that on Oct. 9, it will begin selling merchandise on the installment plan, as well as for cash. This is the first time since the business was founded, 81 years ago that the company will sell on the time payment system. J. I. Straus acting president of Macy's, recognized as the world's largest department store, stated that under the new plan, customers will pay a service charge of 6 cents on every 94 cents worth of goods purchased. He described the system as a "cash-time" service.

The plan Mr. Straus stated was designed to serve an ever larger patronage. The company he further explained had realized that for years, "so-called time selling was growing in popularity and spreading to all income groups."

Initial payments and payment periods will vary somewhat, it is stated, according to the type of merchandise purchased. Installment selling has been in practice at Canadian department stores for some years.

Soo Line Net Revenue Improves in August

From Our Own Correspondent

MONTREAL.—Net railway revenue of Minneapolis St. Paul and Sault Ste. Marie Railway in August amounted to $473,276. This compares with $368,693 in the same month last year.

DIVIDEND NOTICES

September 28, 1939

Notice is hereby given that the Board of Directors of Orange Crush Limited, at a meeting held to-day, declared a dividend of thirty-five cents (.35) per share on the outstanding no par value preference shares, payable November 1st, 1939 to shareholders of record as at the close of business October 16th, 1939.

By order of the Board
R. G. McMULLEN
Secretary

Penmans Limited

Dividend Notice

NOTICE is hereby given that the following Dividends have been declared for the quarter ending the 31st day of October, 1939.

On the Preferred Stock, one and one-half per cent (1½%), payable on the 1st day of November to Shareholders of record of the 21st day of October, 1939.

On the Common Stock, seventy-five cents (75c) per share, payable on the 15th day of November to Shareholders of record of the 6th day of November, 1939.

By Order of the Board.
C. B. ROBINSON,
Secretary-Treasurer.
Montreal,
September 25, 1939.

Canadian Tube & Steel Products Limited

A dividend of ONE DOLLAR ($1.00) per share on the 7% Cumulative Preferred Stock of Canadian Tube & Steel Products Limited has been declared payable on the 16th day of October, 1939, to Shareholders of record at the close of business on the 7th day of October, 1939.

P. B. NASH,
Secretary.
MONTREAL, September 27th, 1939.

CANADIAN GENERAL INVESTMENTS LIMITED

Dividend Notice

NOTICE is hereby given that a dividend of Twelve and one-half cents (12½c) per share on the paid-up capital stock of the Company has been declared to shareholders of record September 30th, 1939, payable October 16th, 1939.

SHARE WARRANT holders will present Coupon No. 45 at the Main Office of the Bank of Montreal in Victoria, Vancouver, Calgary, Edmonton, Winnipeg, Montreal, Halifax, St. John, or at the King and Yonge Streets Branch, Toronto, where payment will be made at par.

By order of the Board.
E. M. STRAIN,
Secretary.
320 Bay St., Toronto.

Montreal Stock Sales Gain 300%

From Our Own Correspondent

MONTREAL.—Industrial share of volume on the Montreal Stock Exchange and Montreal Curb Market during September increased by more than 300% from the August turnover and represented the highest industrial volume in any month in close to two and a half years. It was more than double the September, 1938, total.

Last month's shares traded in Montreal totalled 1,995,296. This compares with 446,886 shares in August and 945,233 shares in September of last year.

Alberta Board Probing Prices

Substantial Sugar Surplus Reported from Big Crop

From Our Own Correspondent

EDMONTON.—Alberta's recently appointed price spreads board, charged with investigation of any unwarranted rise in commodity prices, has its work well under way. Bread, meat, butter, sugar and vegetable prices already have been under review and considerable statistical information is compiled.

Elimination of fluctuations in the volume of demand for commodities during wartime is one of the board's objectives. Regular sessions of the board are being held during which latest developments in marketing are discussed and evidence received regarding numerous commodities.

Special investigation of the province's sugar supply has been left with R. Andrew Smith, K.C., named by the province for this task. Preliminary findings were that no sugar shortage is anticipated if purchases are made in normal quantities.

Southern Alberta expects to harvest a record total of 80 million pounds of beet sugar. This is expected to find a big western market and provide a surplus for use in other parts of Canada. Harvesting of the sugar beet crop is well under way and factories at Raymond and Picture Butte are preparing sugar for market.

Company Reports

Dominion Gas

Dominion Gas & Electric Co. interim report shows net profit of $429,792 in the 12 months ended June 30, compared with $341,078 in the preceding 12 months. The company's year ends Dec. 31.

Balance Sheet Items

	June 30 1939 $	Dec. 31 1938 $
Funded debt:		
Dom. Gas	4,243,500	4,243,500
Can. Utilities	2,635,075	2,665,589
Northwest. Util. ...	2,339,000	2,102,100
	9,217,575	9,011,189
Earned surplus	946,194	851,267

Consol. Income Account Years Ended June 30

	1939 $	1938 $
Oper. revenue	4,442,176	4,442,113
Less: Oper. exps.	2,577,335	2,665,901
Net oper. inc.	1,864,841	1,776,212
Add: Other inc.	22,607	25,285
Net earnings	1,887,448	1,801,497
Less: Deprec. & amort.	435,119	437,657
	1,452,329	1,363,840
Prior subsid. charges:		
Bond interest	257,117	279,128
Other interest	25,840	25,713
Dom. inc. tax	189,556	163,104
Amort. disct. & exps.	25,011	27,421
Preferred divds. ...	213,669	215,578
Min. interest	15,233	13,861
Tax on divds. rec. ..	17,660	18,204
	708,243	620,831
Less: Int. coll. tr. bds.	256,523	256,523
Other interest	17,820	16,518
Loss on exchange ..	4,108	2,295
Taxes on bd. int. ...	......	4,417
Net profit	429,792	341,078
Earnings per Share:		
Preferred	17.19	13.64
Common	1.63	1.06

Working Capital

	1939 $	1938 $
Current assets	1,683,109	1,353,150
Current liabilities	708,774	549,689
Working capital	974,335	803,461

Crescent Creamery Co.

Low butter prices in the year ended March 31, 1939, are stated by W. R. Aird, president, to have "adversely affected the earnings" of Crescent Creamery Co., Winnipeg, a subsidiary of Eastern Dairies Ltd. Lower butter prices reduced the cost of milk purchased for ice cream and fluid cream and partially offset the decreased earnings from butter operations. Volume of sales of fluid milk and cream increased during the year. The company has not paid any preferred dividends since Apr. 16, 1934.

Income and Surplus Account Years Ended March 31

	1939 $	1938 $
Operating loss	13,150	31,333
Less: Inc. from invest.	4,075	4,838
Prof. on sale of secs.	3,594	......
Net oper. loss	5,481	26,495
Add: Depreciation ...	47,863	46,212
Net loss	53,344	72,707
Less: Prev. surplus ..	95,604	168,204
Tax adjustments ...	*1,284	107
Surplus forward	40,976	95,604

*Additional tax paid.

Working Capital

	$	$
Current assest	131,036	138,904
Current liabilities ...	154,810	169,997
Excess current liabs. over current assets	23,774	34,985

St. Lawrence Flour

St. Lawrence Flour Mills Co. reports an appreciable improvement in earnings power for the year ended Aug. 31, 1939, net profits after all charges amounting to $3.37 a share on the common stock. In the previous year there was a deficit before preferred dividends of $17,972.

Net operating profit for the past year totalled $265,537, to which was added an investment income of $273,127. This contrasts with $53,278 the year before. After provision for all charges, including dividends of $54,000 on the common stock, compared with $36,000 the year before, there was a surplus of $67,308, as against a deficit of $94,222 on the same basis the year before.

The balance sheet shows current assets of $835,210, against $645,614, this reflecting mainly an expansion of some $225,000 in inventory which now stands at $600,439. Net working capital amounted to $560,564, as against $456,092 a year ago. Noted among current liabilities are a bank overdraft of $11,120 and a secured bank loan of $170,000, both new items, these reflecting the expansion in inventory.

Comparative figures of the profit and loss statement follow:

Income and Surplus Account Years Ended Aug. 31

	1939 $	1938 $
Net revenue	273,127	53,278
Less: Directors' fees .	5,000	5,000
Exec. salaries	36,975	34,100
Legal fees	594	1,502
Depreciation	30,000	30,000
Taxes	39,000	648
Net profit	161,558	*17,972
Preferred dividends ..	40,250	40,250
Common dividends ...	54,000	36,000
Surplus	67,308	*94,222
Previous surplus	†411,233	505,555
Surplus forward	478,541	411,333

*Deficit. †Adjusted.

Working Capital

	1939 $	1938 $
Current assets	835,210	645,614
Current liabilities	274,646	189,522
Working capital	560,564	456,092

Fairchild Aircraft

Fairchild Aircraft Ltd. financial statements for the year ended June 30, 1939, shows a net profit of $28,060, compared with a net loss of $56,729 in the 18 months ended June 30, 1938.

Balance sheet for the year ended June 30 shows an increase in accounts receivable from $125,923 to $243,022. Inventory declined from $148,182 to $68,208, while deposits against purchases of aircraft totalled $111,607, compared with $147,659 in the previous period. On the liability side there is shown a secured bank loan of $196,064, while accounts payable and accrued liabilities of $83,585 compare with $104,455.

In his report to the shareholders, President H. M. Pasmore says that an order for six Lockheed aircraft had been delivered to the Trans-Canada Airlines. Progress has been made on the contract for 19 British Bristol bombers and deliveries are expected to commence shortly. It is expected that the major part of this contract will be completed early in 1940.

Income and Surplus Account

	Year ended June 30, 1939 $	18 Mos. ended June 30, 1938 $
Operating profit	118,115	37,023
Less: Exec. salaries ..	17,104	23,401
Legal fees	1,378	1,441
Bank interest	7,707	1,978
Net earnings	91,926	10,203
Less: Depreciation ...	13,866	10,028
Pwr. line dep. w/o .	......	4,640
Income tax	5,000	......
Inventory loss prov.	‡25,000	‡52,265
Exper. & devel. exp. w/o	‡25,000	......
Net profit	23,060	*56,730
Less: Prev. deficit	104,769	48,039
Deficit forward	81,708	104,769
Earned per Share	$0.19	d$0.47

*Loss. ‡Re Sikani type aircraft.

Working Capital As at June 30

	1939 $	1938 $
Current assets	447,075	427,019
Current liabilities	454,813	371,620
Working capital	*7,738	55,399

*Excess of current liabilities over current assets.

Week in Wheat

Wheat Prices Recede As Export Sales Drop

Small Overseas Demand Attributed to Adequate Stocks For Immediate Needs Abroad—Overseas Demand For Flour Also Slackens

From Our Own Correspondent

WINNIPEG.—Falling off in the export demand for wheat has resulted in prices declining to the lowest levels seen since war was declared. For some time shipments of wheat have been disappointing.

Reason at first advanced was that the British convoy system was not yet fully organized. Another reason given is that it has been possible for the British authorities to buy other wheat cheaper than Canadian. Export demand for flour has also been disappointing recently, and this has affected wheat prices, as millers curtailed their purchases.

Stocks Adequate

Another factor which has been suggested as working to restrict the demand for both wheat and flour is that European importing countries at the moment are well supplied. This is due partly to recent imports from other countries as well as to their own crops. For this reason some observers on this side of the Atlantic do not look for any great rush by British importers to buy either wheat or flour, until present supplies become depleted. In addition to this, as long as the seas are kept reasonably clear of German submarines it is felt that there is no reason to build up large stocks in the United Kingdom where they might be destroyed by enemy bombing or shelling.

* * *

U. S. Winter Wheat Crop

On the other hand, the situation in the winter wheat areas of the United States is looked on as favorable to higher prices. While rains are reported at a number of points in the central states, there is little moisture of any account in the principal dry areas of the southwest. It is indicated that unless plentiful rains are received in the near future, the whole 1940 soft wheat crop will go into the winter with insufficient moisture in the soil. If the war lasts till this time next year, it is probable that any surplus the United States might have would be badly wanted. Hence any unfavorable crop conditions in that country are looked on as encouraging to higher prices.

Higher Guarantee Wanted?

Another factor which tends to retard the downward movement of prices is the report that numbers of Canadian western farmers are dissatisfied with the 70 cents a bushel price guaranteed by the Government. It is stated that representations would be made to the Government for an increase. These reports, completely discounted in some quarters, are given credence in others. They overlooked the fact that the Government, already faced with heavy war expenditures, will be reluctant to grant any increase.

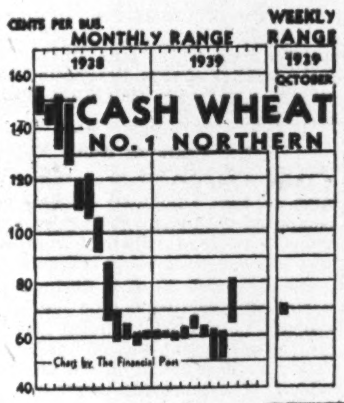
Demand for Canadian rye and barley, which had been fairly active previously, subsided during the week. American corn was in good demand, and rains which fell in the principal corn producing areas would, it was expected, considerably retard the harvest. Substantial export sales of corn were reported at Chicago but the destination was not disclosed.

* * *

Storage Situation

The storage situation in the Canadian west continues to cause some speculation. It is generally admitted that much wheat will be stored in this country over the winter and there is considerable doubt as to whether adequate storage will be available. In some instances it is stated that farmers will store wheat on their farms, increasing their storage capacity to do so. They will hold the grain in the hope of higher prices coming later in the season. Meanwhile they will be able to get cash by borrowing from the banks on the stored grain.

Wheat Prices



	For Week Oct. 3 High	Low	Prev. Week High	Low
1 Hard	.71⅛	.68¾	.74⅛	.71⅝
1 Northern	.71⅛	.68¾	.74⅛	.71⅝
2 Northern	.68⅝	.66¼	.71¾	.69⅛
3 Northern	.66½	.62¼	.69¾	.66¾
4 Northern	.62½	.60⅝	.66¾	.62¾
5 Wheat	.58	.55⅝	.60¼	.56¼
6 Wheat	.54	.51⅝	.56¼	.53¾
Feed wheat	.53	.50⅝	.55¼	.52¾

Winnipeg Grain Futures

Week to Oct. 3, 1939

Crop year from Aug. 1, 1939 High	Low		Open Sept. 27	High for week	Low for week	Close Oct. 3	Close year ago
		Wheat					
.84	.50¾	Oct.	.71¾	.72¼	.66⅝	.68¾	.59⅞
.85⅝	.51⅝	Nov.	.73¼	.73½	.68	.70¼	.60¼
.85	.51½	Dec.	.73¾	.74	.68¼	.70⅞	.59⅝
.88	.54⅞	May	.78½	.78¾	.73¼	.75½	.63⅛
		Oats					
.45⅝	.26⅝	Oct.	.35⅛	.35¼	.32	.32	.27½
.40	.33¾	Nov.	.33½	.33⅝	.32⅛	.32⅛	.....
.41	.26⅛	Dec.	.33⅛	.33¾	.30¾	.30¾	.27
.45¾	.27½	May	.33¼	.33¼	.31⅛	.31⅛	.28⅝
		Barley					
.50⅜	.33½	Oct.	.46½	.46½	.41⅞	.41⅞	.35
.50	.32⅝	Oct. (new)	.46¼	.46⅝	.42⅛	.42⅛	.....
.53	.43	Nov.	.....	.46	.43	.43	.....
.49⅝	.32⅝	Dec.	.45⅝	.45⅞	.42¼	.42¼	.34¾
.51⅝	.33⅝	May	.46⅞	.47	.42¾	.42¾	.35¾
		Flax					
1.86	1.26¼	Oct.	1.79	1.79	1.73	1.76	1.32½
1.73	1.55	Nov.	1.71	1.71½	1.71	1.71¼	.....
1.76	1.23¾	Dec.	1.71	1.71	1.66	1.68	1.29½
1.81	1.54	May	1.71	1.72	1.64¾	1.67	.....
		Rye					
.60⅞	.36½	Oct.	.60	.60⅞	.57	.57⅞	.40⅜
.62½	.52	Nov.	.....	.58½	.55¼	.56	.....
.61	.37½	Dec.	.57½	.57½	.53½	.54⅞	.40
.65	.40	May	.58	.58⅜	.55⅛	.55⅞	.42¼

Tobacco Charges Come Up Oct. 30

Alberta Court to Hear Move to Quash Indictment

From Our Own Correspondent

EDMONTON.—Combine charges against 44 defendant tobacco companies and jobbers will return to Alberta law courts Oct. 30. On that date a motion to quash the charges will be heard in the Alberta supreme court in Edmonton.

At opening of the fall criminal assizes in Edmonton, Mr. Justice Ewing ruled the Oct. 30 hearing after Lionel Forsythe, K.C., Montreal, counsel for the tobacco firms, had made application for the motion to quash.

Preliminary hearing of charges against the companies occupied six weeks last spring. These charged that the defendants "conspired to limit facilities for transportation, production, manufacture, supply, storing and dealing in the tobacco trade in Canada," and that the trade was "restrained and injured" by the alleged combine.

At the preliminary, defendants denied any national marketing organizations or combines had been established.

Relief Costs Mount In Newfoundland

Relief expenditures in Newfoundland in August amounted to $92,190, an increase of $15,545 over the same month last year. Relief extended to able-bodied persons cost $62,807 and relief to casual sick, aged and infirm, $29,383.

In districts having a total population of 284,872, a total of 45,638 persons were in receipt of relief. This is an increase of 5,784 over a year ago.

Commodity Prices

Commodity prices have shown considerable irregularity during the week.

Cattle, copper, cotton, sugar and hides have all been firmer, while hogs, rubber, silk, and wheat have been lower. Coffee, which is not regarded as a war material, has held steady.

The decline in hogs is attributed to large estimated supplies. These may, however, be offset later by the war demand for bacon. A feeling of uncertainty as to how long the war will last appears to be a factor tending to make commodity prices irregular.

	Latest week	Previous week	Same week last yr.
Cattle	$8.00	$7.90	$6.65
Hogs	9.00	9.10	9.25
Copper, lb.	.12½	.12⅝	.10⅜
Cotton, lb.	.0939	.0908	.0825
Rubber, lb.	.2010	.2190	.1682
Sugar, raw, lb. ..	.0367½	.0365	.0299
Silk, lb.	3.03	3.13	1.81
Wheat, Man. (bu.)	.69¼	.71⅞	.61⅞
Coffee, lb.	.05¼	.05¼	.05½
Hides	.16½	.16	.11¼
Weekly Indices			
Canada (D.B.S.) ...	77.9	77.4	74.4
Do., Wood, Gundy	65.4	65.8	55.9
U. S. Labor	79.5	79.3	78.4
Dow Jones (future)	56.77	58.77	47.46
Fishers'	83.6	83.2	80.4
Monthly Indices			
Canada (D.B.S.):			
Retail (August) ..	83.0	83.1	84.9
W'sale (August) .	72.4	72.6	76.0
U. S. (July)	75.4	75.6	78.8
Gt. Brit. (July)	98.1	98.1	100.6

Note: The base of indices is that 1926 equals 100. The British index is Board of Trade converted to 1930 base.

Base of price quotations is as follows: Cattle — Steers, good, over 1,050 lb., top price, Toronto. Copper - electrolytic, New York. Silk — Crack db., 13-15 New York. Sugar — 96 degrees centrifugal c/f New York. Wheat—No. 1 Man. North., Ft. W.-Pt. A. basis. Hides—No. 1 packer light.

Canadian Tube to Pay $1 on Preferred Stock

From Our Own Correspondent

MONTREAL.—Canadian Tube & Steel Products has declared a dividend of $1 a share on the 7% cumulative preferred stock. Payment will be made on October 16 to shareholders of record Oct. 7.

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Week in Mining

British Metal Dealers Protest Strict Control

London Losing World Leadership as Commodity Market, is Claim, as Patriotism Dominates Trading For Base Metals

Canadian base metal producers are still awaiting the decision of official Ottawa with regard to a war policy on the sale abroad of Canadian metals. The problem is now before the Foreign Exchange Control Board since not only the disposition of these vital war commodities, but also the exchange and foreign credits aspect of the problem are vital considerations under present conditions.

"The delay in setting out a policy is rather pardonable," one base metal spokesman told The Financial Post, "There have been many difficulties, but we feel that out of the whole thing something really constructive and generally satisfactory will result."

Various reasons have been given for the long delay and stock prices of base metal industries have been giving little or no movement as investors sit waiting for the news. Favorable they are confident it will be. How favorable is the question.

An early result of the war is the further decline of London as the financial capital of the world, according to Business Week.

Authorities Besieged

On the declaration of war the British Government announced top pegs for prices of essential metals. And those maximums were very close to recent prices which metal interest considered little above subsistence level.

London metal dealers this week besieged authorities to relax their hard and fast rules. Real reason for that appeal was, Business Week declares, "to prevent most of London's traditional commodity markets going to the United States. Already there is a decided tendency in that direction. South American producers of metals, for example, aren't interested in arranging selling prices in terms of sterling with the pound bouncing all over the lot. And they aren't interested in shipping metals to London for sale while the British Government is imposing prices which are far below world markets. The effect is that London markets have been Empire markets and no more than that. Only the Empire, inspired by patriotism, has been willing to ship to London and accept Government imposed prices, which are quoted in depreciated sterling at that. In such a market metal dealers might just about as well close up shop and go home, for there aren't any free dealings for them to handle.

* * *

Where Do They Stand?

"Producers of raw materials, the world over, are looking for markets in dollars. Netherlands tin producers in the East Indies aren't interested any more in the London market, nor are the tin producers of Bolivia. The same goes for copper mines in the Belgian Congo and Chile."

Canadian base metal producers time and again have mentioned their desire to serve the war effort to the best of their ability. But until British and Canadian Governments make up their minds, the base metal producers can't have much of an idea where they stand.

* * *

Unless permits are refused for shipment of copper outside the British Empire, some Canadian copper producers might find it profitable to ship to foreign countries such as France, Belgium, Norway and Sweden. Sales have been made there by United States producers at 11½ to 12½ cents a pound. Translated into Canadian money this would mean a price of 12½ to 13½ cents a pound, including insurance and freight. This is considerably over the price of approximately 10 cents a pound set by the British Ministry of Supply.

* * *

Equipment Prices Rise

Although the war is but a month old, prices of milling equipment have already started to rise, it is understood. Prices of steel and heavy machinery have generally been advancing and the decline of the Canadian dollar in U. S. dollars is partly responsible.

* * *

No Time Yet

Ottawa has not yet passed legislation changing the excess profits tax as it affects new mines. One manufacturer of mining equipment told The Financial Post he expected his business to be seriously affected. A man who is "in the know," however, states Ottawa realizes the weakness of the tax as it now affects new mines. The people at Ottawa have just been so busy they haven't had time to change it, he says. Anyway, nobody needs to start worrying much for a few months yet—provided the change is forthcoming.

* * *

Prospectors Register

Already prospectors are taking advantage of the Ontario Government's offer of exemption from assessment work on claims for enlisted men. Bulk of applications are being made through mining recorders, but a half dozen have also been received at Queen's Park in Toronto.

The new regulations not only give exemption to enlisted men on work on their claims until six months after discharge from the army, but provide for patents on hot more than three claims without payment of the purchase price. Holders of mining licenses can also have them extended until after the war.

Yama Gold Mines Speeds Up Work

Extra Shift Started Work Wednesday—Slashing Locates Ore

Drifting on the high-grade showing in the 250-ft. level crosscut of Yama Gold Mines commenced Wednesday with an extra shift of miners. Further crosscutting to other indicated ore zones is being carried out simultaneously.

First rounds slashed out of the high-grade ore at the 250-ft. level showed the ore continuing in both faces with considerable free gold in evidence. Officials did not expect the present ore section which was barely recognized in diamond drilling.

Enclosing of the headframe will begin within a few days and construction of an assay plant is planned. Consideration is also being given to installation of further Diesel equipment. This would allow six headings to be drifted on at the same time as ore is intersected.

Bagamac Participates in Senator-Rouyn Financing

During the past 18 months Bagamac Mines has been participating in the financing of Senator Rouyn Ltd., states President R. S. Gamble in the annual report for the year ended July 31, 1939.

Diamond drilling carried out last year on Bagamac ground east of Senator Rouyn disclosed low-grade copper values but no sizeable zone of commercial ore was indicated. It was found impossible to drill any deep holes due to the great difficulty of getting casing down to bed rock. In the southwest corner of the property a hole was put down vertically to 2,500 ft. but values obtained were low.

Balance sheet as at July 31, 1939, shows current assets of $168,827 including $150,712 investments in shares of other companies. Current liabilities were $5,588.

Hollinger Seeks Refund On Charges For Power

A refund of $13,073 on cost of power supplies is sought by Hollinger Consolidated Gold Mines in an action brought against Northern Power Co. and Northern Quebec Power Co. last Monday.

In 1934, it is stated a power purchase agreement was concluded for 20,000 h.p. with the rate reduced in accordance with the amount used. Hollinger claims a clause in the agreement provided rates should be reduced if the power companies reduced their rates to other companies.

W. N. Tilley, representing the defendants, stated all agreement provisions had been carried out and all payments for power were voluntarily made and were not recoverable.

Central Patricia Profit Unchanged

Nets 11.5 Cents in First Half of 1939

An estimated profit equal to 11.5 cents a share is reported by Central Patricia Gold Mines for the 6 months ended June 30, 1939. Figures for the 1938 half year were not issued, but the 1939 profit rate was practically unchanged from the 1938 full year profit of 23.3 cents a share.

Production Raised

Production showed increases in both tonnage of ore milled and total recovery the first half of 1939. A total of 54,408 tons of ore was milled with output of $871,415 compared with 46,828 tons and recovery of $736,881 the first half of 1938. Average recovery increased to $16.02 a ton from $15.74 in 1938.

Estimated Earnings Statement
Six Months Ended June 30, 1939

	$
Est. net earnings	449,052
Less: Depr., def. devel., etc.	115,133
Est. taxes	47,650
Est. net profit	286,269

Quebec Mine Output Up In First Eight Months

Increases of 11.4% and 11.7% were shown in the production of gold and silver by Quebec mines in August, 1939, according to a bulletin issued by the Quebec Bureau of Mines. Gold output of 81,642 oz. in August was over 10,000 oz. more than that of last year and the highest August gold production on record.

For the first eight months of 1939, gold output showed an increase of 12.8% over the same period of 1938 with silver up 3.7%. Mineral production of the first eight months was a new record.

Upper Canada Mines informs shareholders the new mill should be turned over before Oct. 5. It is anticipated the plant can be stepped up from 150 to 200 tons daily at little or no extra expense. At present, the mine is estimated to have two years' ore above the 500-ft. level. Drilling is said improving the ore position.

Anglo-Huron. Assets Higher

Loss Down to 10 Cents a Share from 13 Cents Last Year

Including securities at market value net assets of Anglo-Huronian showed an increase to $4.46 a share on July 31, 1939, from $4.24 a share reported a year previous. In each case certain assets were included at "fair value" in directors' opinion.

Loss for the year ended July 31, 1939, was down approximately 25% to $146,368 or 10 cents a share from the loss of $200,503 reported a year earlier. The improved showing was due to a $114,539 profit realized on investments compared with a $300,750 investment loss in the 1938 period. This change was partially offset by a $356,141 allowance made for advances and investments in 1939.

Purchase Kerr-Addison

As in previous years, full details of shareholdings are not revealed. The holding in Kerr-Addison Gold Mines has been increased, however, and an interest has been taken in Yukon Consolidated Gold Corp. The latter company had a profit of $334,530 in 1938, it is stated.

Interests are now held in Lamaque Gold and Sigma Mines following distribution of Read-Authier's holdings. The company's position in Castle-Trethewey Mines has been maintained and shares are still held in Privateer Mine. A controlling interest is retained in Prospectors Airways.

Pioneer Gold Mines has joined Anglo-Huronian in optioning a 70% interest in Musketeer Mines. This company has located five high-grade veins on its property 40 miles south of the Zeballos area on Vancouver Island.

Income and Surplus Account
Years Ended July 31

	1939 $	1938 $
Dividends received	158,731	141,289
Interest & exchange	58,810	59,653
Sundry earnings	4,017	1,288
	221,558	202,230
Less: Gen. & admin. expenses	88,130	83,956
Examinations w/o	7,042	7,839
Depreciation	848	842
Net operating profit	125,538	109,593
Less: Taxes	30,304	9,346
Loss on invests.	......	300,750
Prov. for invest. loss	356,141	......
Add: Profit on invest.	114,539	......
Net loss	146,368	200,503
Less: Prev. surplus	2,169,589	2,520,092
Add: Dividends	......	150,000
Surplus forward	2,023,221	2,169,589
Loss per share	$0.10	$0.13
No dividends paid.		
Shs. Outstanding	1,500,000	1,500,000

Working Capital
As at July 31

	1939 $	1938 $
Current assets*	6,540,904	6,482,096
Current liabilities	60,600	246,103
Working capital	6,480,304	6,235,993

*Including securities at market value.

Highwood-Sarcee Extends Interests

Position Taken in Large Tract on Lloydminster Structure

Extension into new fields features the annual report of Highwood-Sarcee Oils for the year ended June 30, 1939. New interests have been acquired in Harris No. 1 well in Turner Valley, in Grease Creek Petroleums and in a large tract in the Lloydminster area.

A 5% interest in net production is held by Highwood-Sarcee in Harris No. 1 well which proved a successful producer. Grease Creek Petroleums is drilling a first well jointly with Imperial Oil. At the Lloydminster property a contract has been let for drilling a well in the Blackfoot Hills section.

Operations resulted in a net loss of $3,332 in the 1939 fiscal year compared with $152 the previous year. Working capital, however, was more than doubled.

Income and Surplus Account
Years Ended June 30

	■1939 $	1938 $
Highwood-Sarcee Well No. 1	12,529	8,799
Income from invests.	2,405	1,153
Profit on sale of bonds	1,312	......
Transfer fees	34	66
Miscellaneous	......	5,121
Total income	16,280	15,139
Less expenses:		
Office and man. sal.	5,161	5,072
Directors' fees	3,100	3,285
Lease rentals paid	3,288	2,554
Legal fees	662	500
Interest	......	416
General	4,102	2,603
Provision for taxes	600	666
Prop. loss, No. 2 well	1,874	195
Org. exp., Hwd. Dev.	824	......
Net loss	3,332	152
Less: Previous surplus	47,916	30,228
Adj. well No. 2 investment	......	20,635
Inc. tax. pr. period	......	2,795
Balance forward	44,584	47,916
■Consolidated statement.		
Loss per Share	$0.002	nil
No dividends paid.		
Shares Outstanding	1,866,903	1,616,903

Working Capital
As at June 30

	1939 $	1938 $
Current assets	108,238	56,901
Current liabilities	4,508	6,282
Working capital	103,730	50,619

Teck-Hughes Profit Gains

Lamaque Dividends More Than Offset Lower Mine Earnings

A net profit equal to 42.4 cents a share is reported by Teck-Hughes Gold Mines in a preliminary statement for the year ended Aug. 31, 1939. This represents an increase of 13% over the previous year. Dividends from Lamaque Gold Mines, received for the first time in 1939, totalled $957,800.

Although tonnage of ore mined increased to 388,770 tons in the 1939 period from 376,465 in 1938, gross value of production from the Teck-Hughes mine declined from $3,930,356 to $3,399,281.

Ore Reserves Down

Ore reserves continued the gradual decline shown in recent years amounting to 537,549 tons averaging $10.52 per ton on Aug. 31, 1939, compared with 610,895 tons and $12.09 per ton a year before. New ore opened in drifting during 1939 totalled 1,110 ft. averaging $14.88 per ton across an average width of 7.3 ft. The greatest length of ore opened up on any level, was 385 ft. on the 26th level averaging $19.44 per ton across 6.8 ft. Over half the ore reserves are in the section of the mine from the 30th to 50th levels.

Operating Statement
Years Ended Aug. 31

	1939 $	1938 $
Gross value of bullion	3,399,281	3,930,356
Lamaque divds.	957,800	......
Inc. from invests.	21,401	72,522
Gross earnings	4,378,482	4,002,878
Less: Dev., min. & mill.	1,790,349	1,844,124
Insurance & taxes	287,472	318,876
Gen. exps., incl. mktg.	198,851	220,911
Outside explor.	65,164	14,444
Est. balance to surp.	2,036,646	1,604,523
Est. earns. a share	$0.424	$0.334

Earnings Up At Lamaque

Profit 15.8 Cents Against 14.4 Cents in August Quarter of '38

Estimated net profit of $475,614, or 15.8 cents a share was realized by Lamaque Gold Mines for the quarter ended Aug. 31, 1939, compared with $433,466 or 14.4 cents a share in the corresponding period of 1938. Profit was slightly lower than the $481,075 realized in the immediately preceding three months ended May 31, 1939.

Tonnage of ore milled increased to 110,297 tons in the Aug., 1939, quarter from 97,580 tons milled the same quarter of 1938. Production declined slightly to $1,170,750 from $1,179,762.

Ore Reserves Gain

Total value of ore reserves as at Aug. 31, 1939, amounted to $8,508,869 compared with $8,135,653 a year previous. Average value of reserves was $10.46 against $11.29 last year.

Development in ore during the period was carried out on levels at 450, 950, 1,075, 1,200, 1,400 and 1,800 ft. Best development was on the 1,400-ft. level where 356 ft. of new ore was added. The developed length on this level is now 710 ft. averaging $12.25 per ton across an average width of 6 ft.

Operating Statement
Three Months Ended Aug. 31

	1939 $
Bullion production	1,170,750
Less: Dev., min. & mill. exps.	471,740
General expenses	59,371
Depreciation	71,823
Res. for taxes	92,202
Est. balance to surplus	475,614
Est. Earns. per Share	$0.158

Anglo-Canadian Appoints Spratt General Manager

J. Grant Spratt has been appointed general manager of Anglo-Canadian Oil Co. following resignation of F. P. Byrne, the managing director. Mr. Byrne retired from his position due to pressure of outside interests, but will retain his position as vice-president.

Mr. Spratt, the new general manager, was engaged as assistant general manager in May, 1938. Previously he had been connected with the Alberta Department of Lands and Mines.

Slave Lake Gold Mines property at Outpost Island in the North West Territories is stated responding to sampling. Bulk samples taken previously by N. A. Timmins Corp. ran .50, .10, 1.26, .62 and 1.29% tungsten. This excluded the original gold value. One per cent tungsten is equivalent to $20 a ton at the present market.

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Week in Oils

Ottawa Remains Deaf To Appeal Of Oil Men

Official Attitude is That Cost of Shutting Out Foreign Crude as Requested Would Be Prohibitive Under Present Situation

From Our Own Correspondent

OTTAWA.—Appeal of Canadian oil producers for Government action to shut out foreign crude supplies has been shelved, for the time being at least.

Strong representations are being made to the Government to place a tariff on crude oil which would throw most of the Canadian market for crude oil to Turner Valley.

The argument in favor of such a policy is that by eliminating imports of crude, a very great strain could be taken off the finances of the country and upwards of $50 millions made available for other purposes. This, broadly, is the sum of foreign exchange which Canada has to find each year to pay for foreign crudes.

Fear Cost Prohibitive

The view here is that the cost of diverting the Canadian market to Turner Valley would be prohibitive. If the mooted pipe line from Turner Valley to the east had gone through, it would have been possible, economically, to have greatly extended the Turner Valley market.

But this project was to be financed by British money and it is not known here if the British syndicate which was interested in the proposition is still prepared to find the money, or if the British Government would consent to such an expenditure.

It is argued here that Turner Valley has enlarged its market in western Canada in the past few months. With the Canadian dollar at a heavy discount in U. S. funds, Turner Valley should make still further gains. Indeed, Ottawa expects that Turner Valley will capture practically all of the prairie market this fall, unless the Canadian dollar comes back to par. But the official attitude here is that it is economically impossible, under present conditions, to ship Turner Valley crude east of Winnipeg.

* * *

In Cold Storage?

It is believed here that the oil pipe line proposition has gone into cold storage for duration of the war. Present feeling is that it would be impossible to complete a pipe line fast enough to make it an important contribution to the present conflict.

* * *

Adjourned

An application for adjustment of freight rates on Alberta crude oil and refined products in western Canada, instituted through the department of the Alberta Attorney-general, has been adjourned sine die because of war. Appearing before the Board of Transport Commissioners, A. L. Smith, K.C., representing the Alberta Petroleum Association, asked that the application be set over.

"Since the application was made," said Mr. Smith, "Canada has entered the war in Europe. The Petroleum Association, anxious to place its full resources at the disposal of the Dominion Government, is convinced that steps will be taken to so utilize these resources by methods at present known to the Government itself."

With this in mind, it was explained, the Association considers a controversy at the present time over freight rates might be detrimental to Government plans.

* * *

Final Details

As outlined in an exclusive article in The Financial Post last week, big flow of new money for Alberta oil development is expected to follow formal approval by the Ontario Securities Commission of the financing of wells in Ontario by sale of selected oil royalties. Final details are being cleaned up.

No royalty of any kind in a producing well will be approved if the total gross royalty exceeds 30%, and no royalty in a drilling or proposed well stands much chance of approval if the gross exceeds 25%.

* * *

Pioneered Here

This method of financing is comparable to the system adopted by Royalite and Anglo Canadian to pay for drilling of wells by them on property owned by others. The company reserves all net revenue until it has repaid cost of drilling. Net revenue is then divided on a pre-arranged basis between the company and the lease-owners.

An application for registration of royalties to be sold to finance new ventures must be accompanied by a report from a recognized geologist on the acreage to be drilled.

* * *

Might Be Listed

The Ontario Securities Commission is expected to consider registration of royalties in wells now producing on the basis of their individual merit. Provided requirements as to data on certificates and amount of gross royalty outstanding are met, the most producing royalties of all types are believed to stand a good chance of registration, making them eligible for sale in Ontario.

Will the Toronto Stock Exchange list any of these royalties?

Present listing regulations would have to be changed to do so, it is understood, but with continued favorable oil development it is considered likely that such provision would be made.

* * *

Plans Seven Wells

Considerably enlarging its recently commenced Turner Valley drilling programme, the Northwest Co., subsidiary of Imperial Oil, has concluded negotiations by which it will join forces with Calmont Oils Ltd. in a $1 million programme on the central west flank. Northwest will drill Calmont's acreage using Calmont-owned rotary rigs. Calmont will have supervision of all wells after completion.

First well is to be started within three months. With satisfactory results seven wells will be drilled under the agreement.

Northwest started its new Turner Valley programme by taking over the Royalite No. 38 well on the Hudson Bay Oil & Gas Co's land in the south end. The well was renamed Northwest-Hudson Bay No. 1. A new well, Northwest-Hudson Bay No. 2 was immediately started, and is now drilling below 4,800 ft.

Two weeks ago the Northwest Company arranged to drill Southwest Petroleum acreage on the central flank. The first well, known as southwest No. 3, is preparing to spud in.

* * *

Big Increase

Alberta oil production for August totalled 767,984 bbls., compared with 799,023 bbls. in August, 1938. August yield brings total for the first eight months of 1939 to 4,899,358 bbls., an increase of 592,722 bbls. over the same period last year. Turner Valley oil wells accounted for 738,174 bbls. of the August yield.

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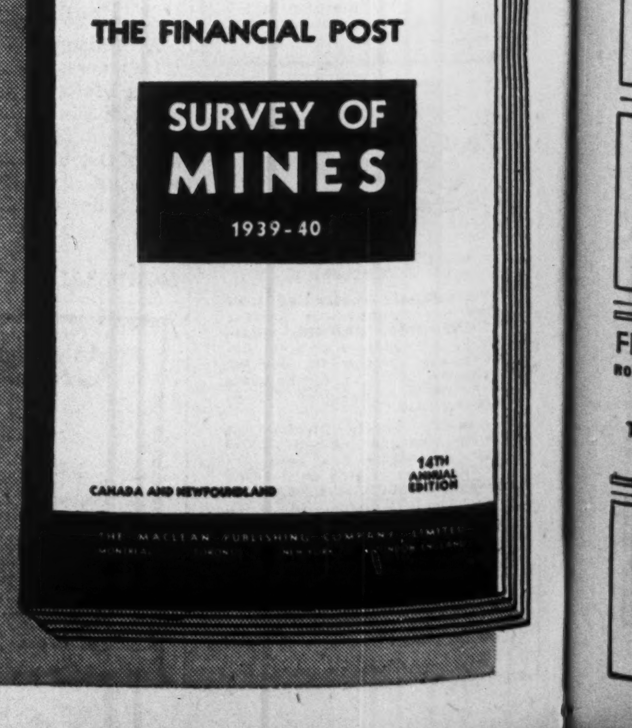


Canada's War Metals—Nickel

This Dominion Dominates Field in Vital War Need

In the third of The Financial Post's series of articles on munitions metals, the position of nickel is studied.

Where is nickel used in armaments manufacture?

Nickel is found in gun forgings, trucks, airplanes and armor for battleships. It will likely be used extensively in armament for tanks. There is no nickel in rifle or machine gun barrels, but bullet jackets are often made of nickel alloys. Over 1,000 alloys of nickel have been developed and a considerable number adapt themselves to war use.

* * *

Did the price of nickel rise along with prices of other base metals in the last war?

No. The price of nickel rose from 40 to 50 cents a pound by 1917-8 but this was a very small increase in relation to the over 100% increases in prices of other base metals. In 1922, nickel dropped to 30 cents a pound but since 1926 the price has been stabilized by International Nickel at 35 cents a pound, American funds.

In the last war International Nickel increased production and used its weight to keep price increases in line with increases in costs generally. At present, International Nickel is trying to keep sufficient supplies of nickel on hand to assure maintaining the price at 35 cents a pound. Plant and equipment have been extended so that increased demands can be met.

* * *

What was the source of nickel production in 1938?

Canada produced 88% of the world's nickel in 1938, maintaining the position it has held many years. Next largest output was from New Caledonia, a French colony in the East Indies, which contributed 6% to the total. The U.S.S.R. was next largest producer with an output of only 2% of the world total. The remaining 4% was divided among many countries, including Burma, Norway, Germany and Greece.

* * *

How does present Canadian nickel production compare with that of 1914?

In 1914 Canadian nickel production amounted to 46 millions of pounds. The entire output then was either produced by International Nickel Co. or by companies it later absorbed. Last year, Canada's output of nickel was almost five times as great at 211 million pounds. International Nickel Co. still produces the bulk of the output, turning out 194 million pounds in 1938. Falconbridge Nickel produced practically the entire balance of 17 million pounds.

* * *

Has the British Government been able to secure the information necessary to prevent nickel supplies reaching Germany?

Canadian nickel companies are making available to the governments of Great Britain and Canada all information dealing with sales, shipments and consumption outside the British Empire. This information is of immense importance in preventing neutral countries buying for transshipment to Germany. Nickel is not re-exported from the United States, according to International Nickel Co. This allows Canada to supply the United States without nickel ultimately reaching Germany.

German submarines came to the United States last war to purchase needed supplies with millions of dollars of chemicals. Nickel formed a part of return cargoes.

* * *

Is nickel essentially a war metal?

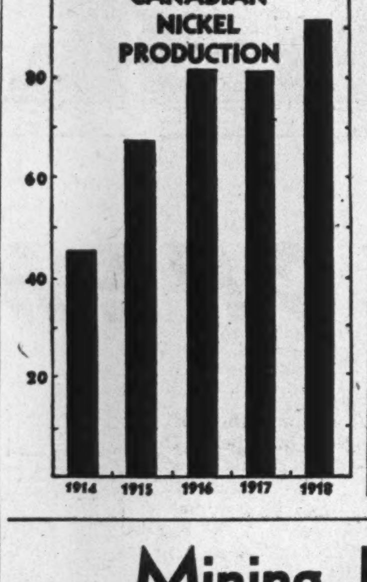
No. The great bulk of nickel now produced is used in the industries of peace. Over $19 millions spent on research since the last war has been entirely devoted to finding new peacetime uses.

In the last war, most nickel was used in armament manufacture and it was easy to check on the ultimate destination of all nickel production.

* * *

Why is nickel so valuable in the manufacture of armaments?

Armor plate can be made much harder by the addition of a small percentage of nickel. Addition of nickel also creates resistance to heat. It forms a valuable constituent in many non-ferrous alloys. Alloyed with aluminum, it becomes important in airplane construction, the aluminum alloy having both strength and lightness. "Inconel," a nickel-chromium alloy, is resistant to both heat and corrosion. Generally speaking, a larger percentage of nickel is used in non-ferrous alloys than in iron alloys. Nickel steel has from ½% to 7% nickel, while cupro-nickel alloys may have from a 15 to 50% nickel content.



* * *

Where is Germany's nickel coming from now she is at war?

Reserves of nickel built up prior to war are likely being used by Germany. Nickel coins can also be melted down. After reserves are exhausted, Germany will have to secure nickel either from domestic production or other countries. Domestic output is only 5% of requirements, with salvage from scrap negligible. The Dutch East Indies and France's New Caledonia are biggest sources of nickel outside of Canada, but these supplies are barred by the British blockade. Soviet Russia's nickel output is relatively small and does not nearly meet her own requirements.

* * *

What are chances of Germany either increasing production or tapping other sources?

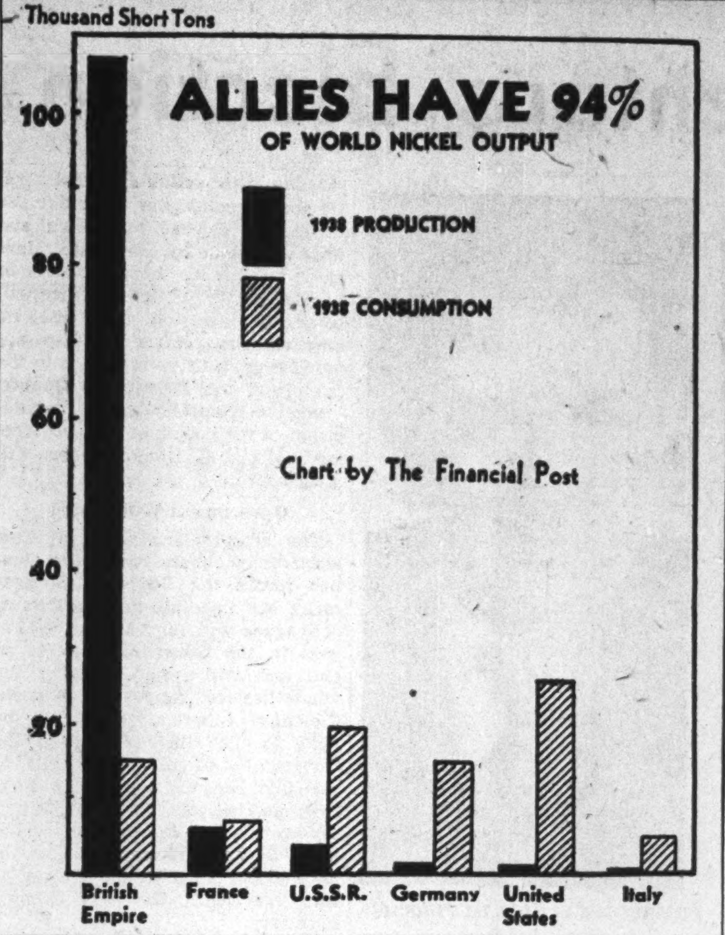
No appreciable increase in German nickel production is expected. The one German nickel mine is low grade with nickel content about a third of that formerly obtained.

New nickel mines may supply Germany. International Nickel has a large mine in Finland scheduled to produce in 1940. Russia and Germany, singly or together, might bring pressure on Finland to force working of the mine despite International Nickel.

* * *

What are chances Germany will use substitutes for nickel if supplies are not available?

Cobalt, molybdenum and other metals can be substituted for nickel but the substitutes are usually much more expensive to produce. There appears no reason for believing supplies of substitutes would be more available than nickel supplies. Any large-scale use of substitutes appears out of the question unless some unexpected new discovery is made.



Mining Enquiries

Cariboo-Hudson

Are operations being continued at Cariboo-Hudson Gold Mines? What is the financial position?

Milling at Cariboo-Hudson Gold Mines was suspended Aug. 3, 1939. Shareholders of record July 8, 1939, had been offered rights to subscribe for additional shares at 20 cents per share, but subscriptions were inadequate to finance further development necessitating closing down of the mill.

The company has not released any statement as to the financial standing, but the fact that operations have been suspended suggests that working capital is near exhaustion. Returns from milling were insufficient to allow development to be carried on, but officials seemed to believe that further development might reveal more substantial ore deposition. If conditions in the financial markets improve, it may be possible to finance further work.

Kirkland Lake

Please give me some details on the present position of Kirkland Lake Gold Mining Co.

Kirkland Lake Gold Mining Co. has been showing a higher level of earnings recently with profits for the six months ended June 30, 1939, 6.65 cents per share compared with 5.93 cents the same period of 1938. Mill capacity is being increased from 250 to 400 tons daily and on completion of this work around the end of the year, further increase in earnings appears to be in prospect if costs do not rise too much due to war.

Until two years ago, it was not found possible to make estimates of ore reserves here due to the nature of the ore occurrences but with the more persistent ore bodies now known, estimates can be made. At the end of 1938, ore bodies for which estimates could be made contained approximately two years ore. With favorable developments encountered during this year, however, it is anticipated that reserves have since been appreciably increased. Decision of the directors to increase mill capacity supports this belief.

International Nickel

Could you give me some information regarding International Nickel and its prospects, particularly in relation to what I understand is a fixed price for copper?

While a fixed price for copper at close to 10 cents a pound may restrict earnings of International Nickel to a certain extent, possibilities of increased earnings in other directions appear to be quite good. Although conditions are different from those existing in the last war, an increased demand for nickel seems a reasonable possibility in view of the mechanized warfare. International Nickel possesses plant capacity that suggests a much higher level of production might be obtained under the pressure of war. Its mines are prepared to deliver a much larger tonnage of ore and the company might consider an increase in mill capacity.

It is not generally realized that International Nickel is receiving a premium in Canadian funds for all its nickel just the same as Canadian gold producers. This is due to the fact that the company has kept the price of nickel pegged at 35 cents a pound in American currency. Most of the costs are in Canadian funds and the decline in the price of the Canadian dollar in relation to the American dollar should be adding to the profits of International Nickel.

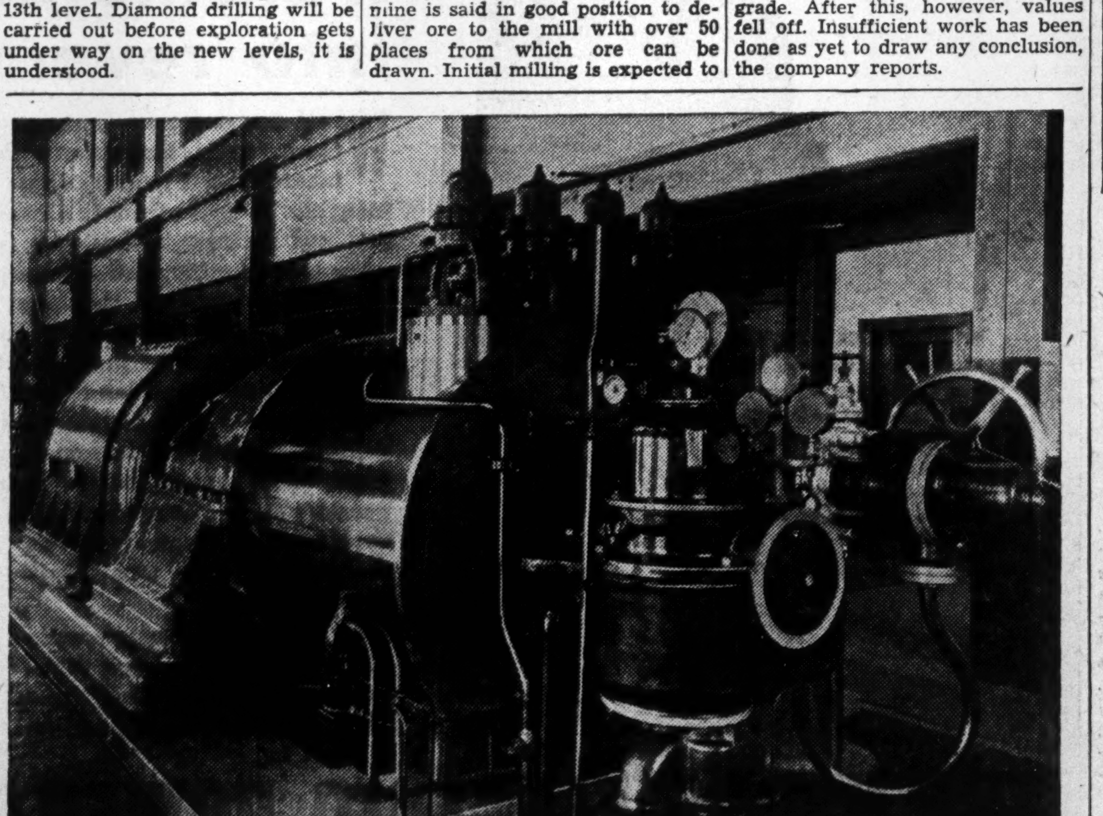
Mining Corp.

What are present holdings of Mining Corp.? Are any of its assets bringing in revenue?

Chief asset of Mining Corporation of Canada is generally considered its holding of 81,287 shares of Hudson Bay Mining and Smelting Co. which have a market value of over $2 millions, close to $1.50 a share on every Mining Corp. share issued.

In addition, substantial interests are held in several other enterprises including 2,486,665 shares in Normetal Mining Corp. and 799,500 shares of Base Metals Mining Corp. The chief development project at the present time is Jerome Gold Mines which is carrying on underground development at its property in Opeepeesway area of Ontario. Mining Corporation's share in the financing amounts to 50%. Diamond drilling prior to shaft sinking indicated a large tonnage of medium to low grade ore at this property.

O'Brien Gold Mines has completed its No. 3 shaft to 1,481 ft. and connection has been made with the main No. 2 shaft workings on the 13th level. Diamond drilling will be carried out before exploration gets under way on the new levels, it is understood.



A MAJOR STEAM PLANT

This is a 7,500 kw. turbo alternator, set straight condensing unit recently installed at the Seaboard Power Corp., Glace Bay, N.S., by Swiss Plant of Dominion Steel and Coal Electric Co. of Canada.

Mining Concentrates

Bankfield Gold Mines is expected to commence shaft sinking shortly. Shaft is to be deepened from 500 to 1,275 ft.

* * *

Bayonne Consolidated has completed a survey of its Beano property in the Zeballos area of British Columbia and further plans for development are being considered. Some work has also been done recently on the original Bayonne property in the Nelson district. Further exploration is recommended by Grattan Lynch, the consulting geologist.

* * *

Duquesne Mining Co. did not receive payment for Sept. 23 option installment on 50,000 shares at 15 cents a share and the option has been terminated.

* * *

Dawson-White is holding a meeting of shareholders Oct. 7, to authorize winding up the present company and sale of properties to a 3-million share company, Dawson Gold Mines. Shareholders of Dawson-White will receive one new share for each three old shares held. The new company takes over all debts and liabilities of the old company. The new board of directors is: S. C. Sterling, president, B. Luxenberg, G. R. MacLaren, B. M. Ball, F. C. Reid.

* * *

East Main Mines shareholders can now exchange shares on basis one share in Upper Canada Mines for each three East Main shares held. East Main sold its property to Upper Canada some years ago.

* * *

Granby Consolidated has appointed Julian B. Beatty as president succeeding the late Nathan L. Amster. Mr. Beatty is a director of Phelps-Dodge Corp.

* * *

Kootenay Belle Gold Mines has declared its regular quarterly dividend of 4 cents per share, payable Oct. 21, to shareholders of record Oct. 14.

* * *

Lapa Cadillac Gold Mines has received permission from the Toronto Stock Exchange for release of 115,002 shares of pooled stock. This leaves a balance of 1,418,358 shares in pool.

* * *

McWatters Gold Mines reports Manager W. J. Hosking is exercising his option on 10,000 shares at 50 cents a share. Issued capital is 1,872,506 shares with no further options outstanding.

* * *

Maniwaki Mines will wind up and surrender its charter following a special meeting of shareholders. A cash distribution of slightly more than 13 cents a share is expected.

* * *

North Whitney Mines will start its new development programme this week. Work was delayed by late deliveries of electrical equipment. The shaft is to be dewatered immediately.

* * *

Nicola Consolidated plans to commence production during the present month after spending more than two years on development. The mine is said in good position to deliver ore to the mill with over 50 places from which ore can be drawn. Initial milling is expected to be at 100 tons daily. The mill may be worked up later to 150 tons by easy stages. Diamond drilling carried out during the past summer is stated to have assured the main veins continue both laterally and to depth.

* * *

Privateer Mines will start shaft sinking about Oct. 10, according to President D. S. Tait. The shaft will be sunk 250 ft. from the 1,100-ft. level with two new levels at 1,225 and 1,350 ft. depth.

* * *

Quebec Manitou Mines reportedly plans to reopen its mine in Bourlamaque twp., Quebec. Finances are being sought. In previous work 257,457 tons of ore were outlined by underground exploration averaging 11.2% zinc with gold and silver values of about $4 per ton. The price of zinc has increased rapidly the last few months improving chances of profitable operation. At 500 tons daily, it is estimated operating costs of $4 a ton could be realized. Only the No. 1 ore body has been so far explored but others have been indicated in diamond drilling.

* * *

Raymond Tiblemont Gold Mines is continuing diamond drilling. Commercial values have been secured in several holes. Hole No. 4 returned $34.97 per ton across 61 inches after reducing high values. Hole No. 5, 850 ft. to the east, returned a cut grade of $35.37 per ton. Vein matter has been disclosed altogether along 1,250 ft. with three test pits returning values of $12 to $72.10 over widths from 3 ft. 3 inches to 4 ft. An additional 1,500 ft. of drilling has been recommended to be followed by shaft sinking.

* * *

Smelter Gold Mines is having a new gold discovery in the Rowan Lake area developed by R. J. Jowsey, H. R. Drummond-Hay and associates, it is reported. To secure title to the property, the financing interests must form a 3-million shares company by April 1, 1940, with 500,000 shares and a stipulated amount of cash to go to Smelter Gold Mines. The zone on the new discovery is stated to have a width of 10 to 35 ft. traced for nearly 5,000 ft. One trench at right angles to the zone, extends for 6 to 7 ft. and yielded $9.40 per ton from channel sampling, it is reported.

* * *

Toburn Gold Mines production showed a slight decrease in August as shown below:

1939:	Tons milled	Tons daily	Recov. per ton $	Total recov. $
August	4,675	151	21.18	98,997
July	4,570	147	22.31	101,972

* * *

Taylor Windfall Gold Mining Co. has sold 189,667 shares remaining in the treasury to F. R. McDonald at 5 cents a share to finance work next spring. The money is payable on call. It is estimated the money will provide for approximately three months' underground work. Work will be carried out on the 300-ft. level where it is hoped to disclose more ore. Work in 1939 showed a length of 60 ft. of low-grade ore at this level followed by 10 ft. of better grade. After this, however, values fell off. Insufficient work has been done as yet to draw any conclusion, the company reports.

R. P. Mills and Co. Absolved Of "Rigging" Mining Stock

From Our Own Correspondent

MONTREAL.—R. P. Mills and Co., Montreal stockbrokers and mine promoters, have been acquitted on the charge of "rigging" the market in connection with sale of stock of Scott-Chibougamau Mines Ltd.

"R. P. Mills has been done an injustice," said Judge Langlois, as he dismissed charges.

The complaint against the Mills company was that it had "rigged" the over-the-counter market shares of the Scott-Chibougamau Mines by "wash" sales, misleading information and false statements and market reports to the newspapers from Dec., 1936 to March, 1937.

Essence of the charge against the company was fraud and fraudulent intent.

Followed Usual Custom

Referring to the evidence brought before the Court, the judge declared that for years, according to the testimony of reputable brokers, it had been the custom to proceed in the fashion charged as fraudulent in the present case.

These various methods of proceeding had never been attacked before, and the lack of previous prosecution was indication that they were not thought to be irregular by the Government, he said.

Protection for Public

Making bids on stock promoted by the underwriter was necessary to protect the promoter, stabilize the market and of benefit to the public, Judge Langois stated. Since the Mills Co. had undertaken to place $67,000 in the treasury of the mining company, it had a right to protect its investment, he stated.

. . . and cranberry sauce

When the first white settlers on this continent felt the urge to give thanks that their crops were safely in, Father took his blunderbuss and shot a wild turkey while Mother ventured into the marsh for cranberries. Turkey and cranberry sauce did not come out of the storehouse—so they became symbols for extra thanksgiving.

As you sit back after your Thanksgiving dinner in 1939, your pipe, cigar and cigarette give, if you come to think of it, cause for extra thanks.

For the industry which supplies you with the peaceful pleasures of smoking now supports some 300,000 of your fellow Canadians and adds to the work and wages of many thousands more on farms and railroads, in factories and stores. This is important to you, whoever you are, because Canada is more than a stretch of territory. It is a community of interests, an organization for living through which we all make our livelihood and in which we dwell in enviable comfort and security . . . And all this has been developed in a land which was forest and marshes when turkey and cranberry sauce became viands of thanksgiving.

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We don't know when or to what point you may next want to talk—nor do you, perhaps. But it is comforting to think that it doesn't matter, really, since you can place a call wherever you are, whenever you choose.

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Quebec Facing Momentous Election

Lapointe and Colleagues Accept Duplessis Challenge—Win or Resign

From Our Own Correspondent

OTTAWA.—By dissolving the Legislature of Quebec for the reasons he has given, Premier Maurice Duplessis, at a single blow, has jeopardized the wartime unity of this country and faced the electors of Quebec with an issue more grave than any issue submitted to the ballot in Canada since the conscription election of 1917.

For reasons which will be given, the Quebec elections on October 25 will involve:

The continuation in the Federal Government of Rt. Hon. Ernest Lapointe, Minister of Justice; Hon. P. J. A. Cardin, Minister of Public Works; Hon. C. G. Power, Postmaster-General; and Senator Raoul Dandurand, government leader in the Senate.

If these leaders of French-Canadian Liberalism retire from the Government there will be none in Quebec to take their places and, in effect, Quebec will withdraw from the Dominion Cabinet, leaving the prosecution of the war to an English-speaking cabinet.

* * *

Threat to National Unity

The consequences of such an eventuality, having regard to what happened in Quebec after 1917, are sufficiently obvious to require no elaboration.

Thus the Quebec election emerges, clearly and inevitably, as a direct threat to national unity. The results must profoundly affect the pattern, the quality and the direction of Canada's war effort—in fact everything about which Canadians feel most deeply at the present time.

The Duplessis announcement came like a bombshell to Ottawa. For 48 hours Ottawa seemed paralyzed with the shock and the implications of it. Opinion then began to crystallize, culminating in Mr. Lapointe's statement of Sept. 29 which, when the background is filled in, is plain enough for anyone to understand.

That was on Friday. Coincident with the Lapointe statement, the French-Canadian Federal Liberals took the field against Mr. Duplessis and this week the campaign is under way. The chief personalities in the contest will be Mr. Lapointe and Mr. Duplessis. Quebec must choose between them, and all Canada will be profoundly affected by the choice.

Lapointe Decision Inescapable

What are the reasons which make Mr. Lapointe's decision inescapable? They are to be found in the speeches of Premier King and Mr. Lapointe in the House of Commons in the special war session, and in the statement issued by Mr. Duplessis on September 24 when he announced the election.

In what is generally regarded as the greatest and most moving speech ever heard in Parliament, Mr. Lapointe on September 9 laid down certain conditions about Canada's participation in the war which were in the nature of a pact. To this pact, all the French-Canadian ministers had pledged themselves and Mr. King, in his speech of the previous day, had accepted it for the life of the present administration.

Mr. Lapointe pledged himself and his colleagues and the people of Quebec to unlimited participation in this war upon a voluntary basis. There must be no conscription. Otherwise there was no limit upon Canada's effort.

Never Accept Conscription!

Here are his words. His own forebodings should be carefully noted; they have been swiftly fulfilled.

"The whole Province of Quebec—and I speak with all the responsibility and all the solemnity I can give to my words—will never agree to accept compulsory service or conscription outside of Canada. I will go farther than that, when I say the whole Province of Quebec, I mean that I personally agree with them. I am authorized by my colleagues in the Cabinet from the Province of Quebec . . . to say that we will never agree to conscription and will never be members or supporters of a government that will try to enforce it. Is that clear enough? Provided these points are understood, we are willing to offer our services without limitation and to devote our best efforts for the success of the cause we all have at heart. And those in Quebec who say that we will have conscription, in spite of what some of us are saying, are doing the work of disunity, the work of the foe, the work of the enemy."

RT. HON. ERNEST LAPOINTE

PREMIER MAURICE DUPLESSIS

And then these words: "I have been told that my present stand means my political death. Well, at least it would not be a dishonorable end, and I am ready to make sacrifices for the sake of being right. But let me assure you, Mr. Speaker, that if only I can keep my physical strength, fall I shall not; and my friends shall not fall either."

Unanimous Decision

Mr. King accepted this pact by declaring that there would be no conscription during the life of the present administration.

Thus did the House of Commons vote almost unanimously for war. Not one French-Canadian member is on the record as being opposed to war. At the outset, an extraordinary degree of unanimity seemed assured.

Strictly adhering to his pledge, the Government went forward with its war measures. All the controls and regulations which have been proclaimed have been framed to enable Canada to exert her maximum power at the side of Britain.

Then on September 24, Premier Duplessis announced a general election. His reasons are that the war measures taken at Ottawa invade the rights of Quebec.

Here are his words:

". . . Quebec intends to preserve its full autonomy and to demand from the federal authority, such as it may be, the integral respect of rights which are guaranteed her by the constitution.

"Quebec considers that the first element of sane loyalty is to be loyal to herself."

Duplessis Challenges Control

"Invoking the pretext of war, declared by the Federal Government, a campaign of assimilation and centralization, manifest for several years, is accentuating itself in an intolerable manner. Ministerial orders have been passed by Ottawa, by virtue of the War Measures Act, with the desire and effect of centralizing at Ottawa, because of the war, all the finances of individuals, municipalities, provinces and the country in general."

Many passages similar in character occur in the statement he issued at Three Rivers.

Subsequently he took issue with the censorship regulations banning the broadcasting of public meetings. Actually, this regulation was approved and announced before Ottawa had any inkling of the drift of Mr. Duplessis' mind. Had it been known that an election was in the offing, the regulations, it is learned officially, would never have been promulgated. Under existing circumstances, Ottawa is in something of a quandary. Certainly no effort will be made to impede the fullest newspaper coverage of the election, including comment upon the issues.

Ottawa Stands Firm

Obviously, to concede Mr. Duplessis' claims would involve the repeal of the regulations which Ottawa has deemed essential to Canada's war effort. To do this would destroy Mr. Lapointe's pact.

He makes the point clear in his statement of September 29 when he says that Mr. Duplessis is attacking . . . "the measures taken for the purpose of assuring the effectiveness and the success of the effort of Canada in the present conflict."

Mr. Lapointe, it is learned officially, proposes to honor his word and to stand by his pledge in Parliament. Therefore he has accepted Mr. Duplessis' action as a challenge. He and his colleagues will make the contest in Quebec their own and they will abide by the results. Here again he puts his thought clearly in his statement. ". . . the province will have the occasion to declare whether she prefers to keep her confidence in us or to give it to the friends of the Premier of Quebec. I shall respectfully accept the decision of the people of my province; my colleagues from Quebec will accept it."

Government Will Resign

The actual significance of these words is that if the electors of Quebec return the Duplessis Government, Mr. Lapointe and his Ottawa colleagues will regard their usefulness in the Government as at an end and will resign. Having the whole-hearted support of French-Canadian Liberals, there will be none to take their place and the Government of the country will inevitably become completely English-speaking. Similarly, Mr. King's declaration on conscription would lapse and the Government would have a free hand to adopt compulsory service if this was deemed necessary.

That the Duplessis or any other government in Quebec must accept the controls and regulations regarded at Ottawa as essential to war policy goes without saying. It is expected, however, that the real issue in Quebec will centre upon conscription. The cry against Duplessis will be—"A vote for Duplessis is a vote for conscription." On the other side, the cry will be the cry of Quebec nationalism.

What To Do If Your Plant Can Help Canada Win War

A few days ago a Canadian manufacturer wrote asking our advice as to how best he might make some contribution through his company to Canada's war effort.

Our enquirer has a small but well established foundry excellently equipped to manufacture special bronze, brass and other non-ferrous castings.

Most of the best men in the plant served overseas. The manager himself spent three and a half years in active service during the Great War. Not looking for any great profit, he is eager to see of what service his company can be in the present emergency.

In all parts of Canada there are scores of persons whose organizations are to a greater or less degree equipped to manufacture some type of war supply. Some of these firms are in small communities, far removed from direct contact with Ottawa or with central organizations. They are not of a type to be singled out at the present time when large scale orders go primarily to larger organizations equipped to do a rapid, economical production job capable of meeting immediate and emergency needs.

The Financial Post put the problem of these manufacturers and small industrialists to Ottawa.

The answer was definite, unequivocal.

The primary step in enlistment of industrial plants for war supply purposes is to make sure that all details of the individual plant, its specifications, its equipment, its experience, etc., are made available to Colonel G. Ogilvie, formerly in charge of industrial survey work at the Department of National Defense and now head of the Central Investigation Committee, War Supply Board, Birks Building, Ottawa.

It may be remembered that nearly two years ago a survey was made throughout Canada among some 1,200 firms with facilities for making war equipment and supplies. This information was prepared under the direction of the Department of Defense and was tabulated and classified at that time.

Unfortunately many firms did not take this seriously at that time. There were important gaps in the information. Some firms were omitted entirely, others were slow to supply adequate information.

This reference has now become the chief, focal point in distribution of orders from the War Supply Board.

It is suggested therefore, that all firms who believe they have facilities adaptable to war supply use, should make sure that their complete story is in the hands of this department of the War Supply Board.

Patriotic Gifts Exempt Ont. Corporation Taxes

The special session of the Ontario Legislature made one important amendment to the Corporations Tax Act, 1939. The amendment provides for an exemption or deduction from taxation under Ontario laws of "the amount not exceeding 10% of the net taxable income of any incorporated company, which has been actually paid by way of contribution within its fiscal year to, and receipted for as such by, any patriotic organization or institution in Canada which hereafter receives the written approval of the Secretary of State of the Dominion."

This amendment permits corporations to make contributions to approved patriotic organizations without having to pay Ontario corporation tax on this money.

Aluminum Co. Trade Increases

From Our Own Correspondent

MONTREAL. — Aluminum Co. of Canada's exports during August show a substantial increase judged by the government's trade report. This company does practically all the Dominion's export business, so that the trade figures are indicative of its sales activity.

During August, exports totalled 145,927 cwt. valued at $2,734,914, against 118,090 cwt. worth $2,062,574 in August, 1938. United Kingdom and Japan were the chief purchasers.

Exports from Canada for the eight months ended August totalled 1,048,473 cwt. valued at $18,628,207. This compares with 802,478 cwt. valued at $14,370,554 for the same period last year.

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ELECTRICAL ALCHEMY...

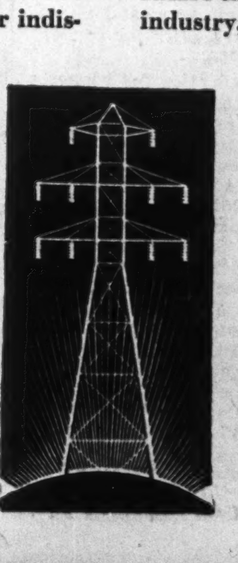
"PULLING THE CATHODES" in the tank house of the Ontario Refining Company at Copper Cliff, Ontario—one of the largest in the world. In these giant vats, Hydro power provides the electrolytic action that separates the pure metals from the crude.

transmutes raw resources into revenues of gold . . .

WITH fire and acid, incantation and black magic, the olden alchemists labored vainly to change base metals into gold. Today, in Ontario's huge smelting and refining plants, our modern wizards of chemistry and metallurgy have perfected a practical "alchemy" — a whole new science of *electrical* methods that extract metals of precious worth to Canada from northland rocks. The "white horses" of Hydro electricity draw gold and silver from the miner's ore . . . power the furnaces that smelt our indispensable iron . . . surge through the mammoth electrolytic vats that yield unending tons of copper and nickel.

All through the many processes of mining, smelting and refining, you can see how vitally these primary industries depend on electricity for power—and on the Hydro-Electric Power Commission of Ontario to provide this essential power abundantly and cheaply. In these industries you see again the tremendous threefold contribution Hydro makes to Ontario's industrial leadership. Hydro power means *efficient* industry, because it improves products and processes while lowering costs . . . it means industrial *stability*, because Hydro provides ample reserves to keep pace with future expansion . . . it means *progressive* industry, because electrification is the keynote of the technology of tomorrow.

By its contribution to industrial efficiency, stability and progress, Hydro serves Ontario—and all Canada—well. For what helps business helps everybody, everywhere, in the whole dominion.



THE HYDRO-ELECTRIC POWER COMMISSION OF ONTARIO